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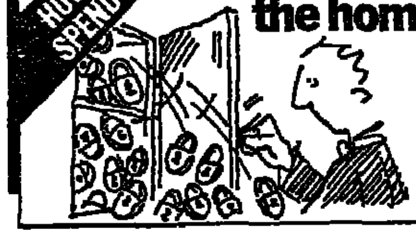
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WORLD NEWS

Strike wave looms in W. Germany

A last-ditch attempt to reach agreement over a shorter working week in West Germany's key metal and engineering industries failed in Frankfurt last night, raising the prospect of the most serious industrial unrest for years. IG Metall, the metal and engineering union, has promised serious, if unspecified, strike action to which employers are likely to reply with lockouts. Page 2

Cameroon troops counter-attack

Cameroon army units loyal to President Paul Biya were counter-attacking yesterday after rebels in the military staged a coup attempt in Yaounde, the capital, Western diplomats said in Paris. The rebels attacked the palace and later tank movements were reported near by. Page 2

Advertising warning

A warning to big companies not to flout the voluntary code on advertising standards was given by Sir Gordon Borrie, director general of fair trading. Page 3

Farmers plead for aid

Government aid is urgently needed if thousands of family farms are not to be forced out of business because of the EEC move to cut milk production, the National Farmers' Union said.

Ulster inquiry ordered

Northern Ireland's police chief has ordered a full inquiry into allegations that a police undercover unit crossed the Irish border during anti-terrorist operations.

Sizewell B setback

The Central Electricity Generating Board has postponed the planned starting date for constructing the Sizewell B nuclear power station to September, 1986. Page 3

British citizenship

Zola Budd, 17, the South African-born barefoot runner, has been granted British citizenship and could be picked to run for Britain in the Olympics.

150-year rule ends

The Cocos Islands in the Indian Ocean voted to integrate with Australia, ending the 150-year rule of the British Clunies-Ross family. All 161 eligible voters turned out.

Maazel quits in Vienna

Lorin Maazel, the director of the Vienna Opera, has resigned two years before his contract was due to expire, the Culture Ministry said.

Ronay Forces guide

The Ministry of Defence has agreed to a request from Egon Ronay to conduct a survey of catering in the Forces.

Buzz in space

More than 3,000 bees accompanied the five crew of the U.S. space shuttle Challenger into orbit after a perfect lift-off.

Briefly . . .

Sir Arthur "Bomber" Harris died aged 91.

Nelson Piquet is in pole position for today's South African Grand Prix.

Sri Lanka beat Pakistan by five wickets in one-day Asia Cup match.

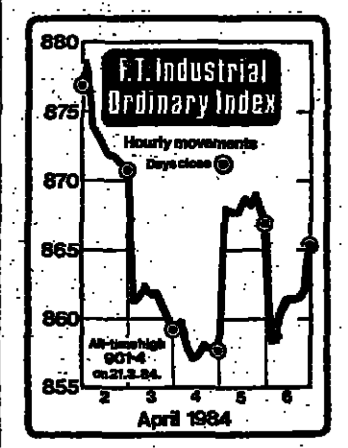
BUSINESS SUMMARY

Volvo board vetoes U.S. share issue

VOLVO board vetoed the plans of its chairman Pehr Gyllenhammar to make the group's first share issue in the U.S., the sale of $100m (£70.02m) equity. His failure reflected the new ownership structure emerging at the company, Sweden's biggest. Back Page

LEAR FAN experienced a technical setback in the development of executive aircraft for eventual manufacture at its two Ulster plants. Back Page

EQUITIES saw a lower level of dealing activity than a month ago when the market was riding high. The FT Industrial Ordinary share index closed



11.6 down on the week at 865.4. Leading industrials were unable to resist Wall Street's fall to its lowest level for a year following increases in the prime lending rate. Page 22; Running out of optimism, Page 5

STERLING touched a low of $1.4185 before recovering to close in London at $1.4285, a fall of 55 points. It eased to close at DM 3.7475 (DM 3.755), SwFr 3.11 (SwFr 3.1225) and Y322 (Y323) with a trade weighted index down from 80 to 79.8. Page 21

TRADE: U.S. and Japan failed to reach an agreement on an increase in Japan's beef and citrus quotas. U.S. trade representative William Brock said the U.S. would consider filing a complaint under the General Agreement on Tariffs and Trade.

INDUSTRIALISED nations should take on more risk to help debtor countries finance their trade, Mr William Draper, president of the U.S. Export-Import Bank, said. Back Page

FORD is to invest FFr 1bn (£86m) at its Bordeaux plant to produce a new generation of automatic transmissions. Page 19

COMPUTER software research scheme costing £3.6m got the go-ahead under the £350m five-year, Government-backed Alvey programme. Page 4

BRAZILIAN central bank ordered the closure of Continental S.A. de Credito Imobiliario, housing finance company, after liabilities estimated at Cruzeiros 100bn (£52.5m) were discovered. Page 19

ROYAL DUTCH/SHELL offered to buy out a block of shares owned on behalf of employees by the Shell stock fund. It offered an $8 premium above its recently increased offer of $58 a share for the 30 per cent of its U.S. affiliate it does not already own. Page 19

CHEUNG KONG (Holdings), property developer, made a loss of HK$408.8m (£35.5m) in 1983, an increase of 22.2 per cent. Page 19

MARKETS

DOLLAR
New York lunchtime
DM 2.6225
FFr 8.0685
SwFr 2.175
Y225.3
London:
DM2.623 (2.6165)
FFr 8.07 (8.0525)
SwFr 2.175 (2.175)
Y225.3 (225.05)
Trade Weighted 127.2 (126.8)
Tokyo close Y225.78

U.S. LUNCHTIME RATES
Fed Funds 10⅜%
3-month Treasury Bills: 9.67%
Long Bond: 95⅞
yield: n/a

GOLD
New York: Comex April latest $381.2
London: $381 ($380.5)

STERLING
New York lunchtime: $1.4205
London:
$1.4285 (1.434)
DM 3.7475 (3.755)
SwFr 3.11 (3.1225)
FFr 11.525 (11.545)
Y322 (323)
Trade weighted 79.8 (80)

LONDON MONEY
3-month interbank:
mid rate 8⅞% (8⅞)
3-month eligible bills:
buying rate 8⅞% (8⅞)

STOCK INDICES
FT Ind Ord 865.4 (−1.6)
FT-A All Share 518.21 (−0.6%)
FT-A long gilt yield index:
High coupon 10.12 (10.48)
New York lunchtime:
DJ Ind Av 1,130.13 (−0.42)
Tokyo:
Nikkei Dow 10,914.73 (−73.2)
Chief prices changes yesterday, Back Page

Institutions urged to boycott Reuters offer

BY RAY MAUGHAN AND CHARLES BATCHELOR

THE CITY'S two biggest investment associations have urged their members — which own about half of all British equities — to boycott the forthcoming flotation of Reuters, the international news and financial information agency.

The Reuters offer, which is expected to value the company at about £1bn, is scheduled for next month. The investment protection committee of the National Association of Pension Funds has given its 1,500 members — controlling investments valued at over £70bn — "a clear recommendation" that they "should neither underwrite nor subscribe for shares in this issue as complemplated in the recent Reuters announcement dated February 22." The letter was received yesterday.

One of the City's leading pension fund managers said that he had never known "the NAPF to put out a comparable recommendation."

This recommendation follows similar guidance given earlier this year by the investment protection committee of the British Insurance Association which pointed out that members should not underwrite the offer.

The investment bodies are strongly critical of Reuters' proposals to issue "B" Ordinary shares to the public while the present newspaper owners would retain "A" shares giving four times the voting rights which would be voted en bloc.

The funds have argued with Reuters and its financial advisor S. G. Warburg, that the separate creation of a founder's share, as intended, would be sufficient to protect the integrity and independence of the news agency. This, NAPF has pointed out, is similar to that "employed in recent privatisation issues."

Mr Geoffrey Musson, the chairman of the NAPF committee and investment manager of the £710m Merchant Navy Pensions Administration Fund, has written to members this week saying that while the founders' share proposals would have been adequate, "I have to tell you that what is now proposed by Reuters is precisely the same as that proposed before our consultations."

Reuters and Warburg said yesterday they had no plans to change the proposed share structure which had been decided after lengthy discussions with the trustees of the agency. Mr Nigel Judah, the finance director of Reuters, said: "The structure has been worked out very carefully and we believe it is in Reuters' commercial interests to put it in the form we have. I don't believe it can be changed."

"We are very sorry that the pension funds do not like the structure, but we have done what we can to cater for outside shareholders. The founder's share can stop things happening in extremis but it cannot make things happen.

"*Continued* control by the newspapers (which are selling the shares) is the only way of ensuring the news service is maintained."

Warburg said: "We are disappointed, but we feel there will be sufficient demand for the shares from quite a lot of people and the issue will be wel subscribed.

"We don't think the large pension funds, which constitute the investment protection committee, talk for all the NAPF members. The large institutions have particular views on this matter but the smaller funds do not necessarily share their views."

While both associations were concerned to point out that they

Continued on Back Page

Reagan urges policy consensus

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT RONAL REAGAN yesterday called for a widespread re-structuring of the way U.S. foreign policy is formed and debated, urging Congress to play a much more "coherent and responsible" role.

In a major speech on world affairs the president also stressed his desire to improve relations with Moscow. However, in the main theme of his speech, Mr Reagan strongly criticised Congress for undercutting his policies in Lebanon and Central America. He said the time had come to restore a bipartisan consensus on U.S. foreign policy, with "partisan politics stopping at the water's edge."

The speech, at the Georgetown Center for Strategic and International Studies, is likely further to inflame Mr Reagan's opponents both inside and outside Congress, on the grounds that he is seeking to muzzle political opposition.

The Democrats, led by Mr Tip O'Neill, the house speaker, are already on the attack over what they see as Mr Reagan's attempts to blame Congress, and by implication the Democrats, for th failure of his own policies in Lebanon and Central America.

The Democrats believe that Mr Reagan is playing election year politics, exploiting the usually popular theme that many of the nation's problems are Congress's fault. The Administration, on the other hand insists that the time has come for a serious and thorough review of the foreign policy-making process.

"If we are to have a sustainable foreign policy, Congress must support the practical details of policy, not just the general goals," Mr Reagan said yesterday. "In this post-Vietnam erra, Congress has not yet developed the capacities for coherent, responsible action needed to carry out the new foreign policy powers it has taken for itself."

Mr Reagan's strongly held view is that "full and open" debate between Congress and the President is "fine" before important foreign policy decisions are taken, but that thereafter the debate must be "full and private," an adminstration official said yesterday.

Congress must end the practice of "second-guessing" after foreign policies have been set in place, and stop damaging the national interest by raising narrow objections based on economic, sectoral or ethnic considerations, the official said. Disagreements, if publicly ventilated, will continually undermine U.S. policy.

"Military force, either direct or indirect, must remain an available part of America's foreign policy." Mr Reagan said.

Of the Soviet Union, Mr Reagan said that "living in this nuclear age makes it imperative that we talk with each other. If the new Soviet leadership truly is devoted to building a safer and more humane world, rather than expanding armed conquests, it will find a sympathetic partner in the West."

He dismissed "simplistic" unilateral solutions, such as a moratorium on the deployment of cruise and Pershing 2 missiles in Europe, a nuclear "freeze" or the cancellation of the MX intercontinental missile. That would simply reward Moscow for leaving the bargaining table, he said.

Scope for tax cuts 'unlikely'

BY MAX WILKINSON AND CLIVE WOLMAN

THE Government is unlikely to *have scope during the next few* years for the tax-cutting programme foreshadowed in the Budget, the London Business School says in a report issued yesterday.

The school's analysis, suggesting that taxes might even have to rise next year, was one of a series of heavyweight criticisms yesterday of last month's Budget measures.

The Institute for Fiscal Studies, the independent "think tank," also took a highly sceptical view at a conference in London of the Government's tax cutting ambitions.

It believed that Mr Nigel Lawson, the Chancellor, had chosen a "dead end" in his efforts to reform the tax treatment of savings.

A study by the broker W. Greenwell suggested that, in the long run, productive investment would become less profitable as a result of the Budget changes, although industry would get a "windfall" tax benefit over the next two years.

The London Business School's Centre for Economic Forecasting believes that the Government has been over optimistic about the trend of borrowing for 1984-85 and 1985-86, largely because it does not think that public spending can be held to the planned totals.

The Treasury's projections, published in the Budget "Red Book" (Financial Statement and Budget Report) suggest that there will be scope for £10bn of tax cuts over the next three years, with perhaps room for a £2bn "give-away" in the next Budget.

The centre thinks that borrowing in 1985-86 is more likely to be about £1bn above the target figure, even without tax cuts. Over the three-year period up to 1987-88, it sees scope for tax cuts of only about £2bn compared with the Treasury's aim of £10bn.

It takes a more cautious view about the underlying rate of growth of the economy. The Treasury thinks that this as *risen from about 1 per cent a* year over the last few years to an expected 2¼ per cent a year for the next few years.

But the centre believes that *growth will have accelerated to* a rate of about 2 per cent a year up to 1987-88.

It also points that the Government in its original Medium *Term Financial Strategy*, published in 1980 expected tax cuts worth about £6bn in prices up to 1983-84; but for the period as a whole there was no cut in taxes, *in spite of a considerable* overrun of public borrowing.

The Institute for Fiscal Studies takes a similar view. Mr Nick Morris, its research officer, told yesterday's conference that if pensioners and public servants were to share in the increased prosperity assumed by the end of the decade, most of the room for tax cuts would be wiped out.

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Lawson's reforms, Page 4

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Gibbons refused shares go-ahead

By Alison Hogan

THE Stock Exchange yesterday refused permission for the issue of shares in Stanley Gibbons, the philatelist, to go ahead on the Unlisted Securities Market.

The decision was followed by the resignation of Mr Clive Feigenbaum, Stanley Gibbons £45,000-a-year chairman. Mr Feigenbaum, who is also Gibbons' largest shareholder, said that he intended substantially to reduce his shareholding.

The £2.5m of shares placed with institutions and the company's brokers, Simon and Coates, will be returned to the company.

The money, which has been held in a repository account since Monday, when dealings had been due to start — and, indeed, got underway before it was realised that Stock Exchange consent had not been given—will be repaid with any interest that accrued over £10.

Simon and Coates said that adverse Press comment about Mr Feigenbaum—in particular, the fact that he had been expelled from the Philatelic Traders' Society in 1970 and that some members would oppose his reinstatement—had created questions of his suitabilty for the Stock Exchange which prevented it from permitting dealings to start.

A key event was Mr Feigenbaum's sudden decision to withdraw his application to rejoin the Philatelic Traders' Society a few hours before the society's council met on Wednesday to review it.

Mr Feigenbaum submitted his aplication in November. He told the society that he was withdrawing it because it was made on behalf of his private stamp dealing company, London and New York International, and circumstances had changed with his appointment to the Stanley Gibbons board.

The announcement of Mr Feigenbaum's resignation came after a Gibbons board meeting following yesterday's Stock Exchange decision. The company announced the interim appointment as chairman of Mr David Landau, a non-executive

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Nigeria debt talks in London lead to optimism

BY QUENTIN PEEL, AFRICA EDITOR

LEADING companies trading with Nigeria are optimistic about reaching an agreed settlement with the Nigerian government on the rescheduling of the country's arrears in trade payments, following a day of talks in London yesterday.

A large group of creditors, *including many of the biggest* British and Japanese suppliers to Nigeria — with Morgan Grenfell, the London merchant bank, as their financial adviser —*has been seeking to improve* the terms and conditions of Nigeria's proposal to repay up to $3bn (£2.1bn) in uninsured trade debt over six years.

A significant number of other companies has already agreed in principle to the terms.

Yesterday's talks were held just before the Nigerian government was due to publish its final offer to the uninsured creditors. There were hopes last night that compromise *could be reached on some of* the major points of disagreement.

A team of senior Nigerian officials, led by Alhaji Abubakar Alhaji, the Permanent Secretary for Finance, and Alhaji Abdulkadir Ahmed, the Governor of the Central Bank of Nigeria, attended the talks.

The creditors included representatives of Unilever, the largest individual creditor, its subsidiary, the United Africa *Company (UAC), and the* Japanese trading groups Mitsui and Mitsubishi. Smaller traders were represented by the Association of Shippers to Africa.

Creditors

The Nigerian proposal, due to be released initially last Wednesday, provided for creditors to be paid with six-year promissory notes, with a grace period of 2½ years, and carrying an interest rate of one percentage point over the London Inter-Bank Offered Rate (Libor).

The creditors had objected to the structure of the offer, arguing that it should be backed by a comprehensive agreement between the Nigerian Government and all its creditors, in order to rank on a par with all other medium-term debt.

They also objected to some *of the restrictions* imposed by the Central Bank on any resale of the promissory notes.

The creditors were unhappy with the pricing of the deal, asking for an interest rate 1½ percentage points over Libor. They also sought an interim payment for the period the arrears have been owed prior to the *re-scheduling agreement.*

Talks are expected to continue tomorrow before the Nigerian Government makes any final offer.

Rescheduling

The rescheduling of the uninsured trade arrears is part of a comprehensive package which the Nigerian Government is seeking to negotiate with its suppliers and the leading official export credit agencies which have insured trade worth another $2bn to $3bn.

At the same time, negotiations are continuing with the International Monetary Fund for a three-year extended credit, which could provide between $2.6bn and $3.1bn to the *hard-pressed African oil producer.*

The arrears have accumulated because of persistent balance of payments deficits over the past three years, caused by the sharp downturn in Nigeria's oil exports without an equivalent reduction in imports.

Companies which have already agreed to the rescheduling terms in principle argue that they do not want disagreement on the details to jeopardise the entire recovery *package, especially the prospect* of agreement with the IMF.

Export credits, Back Page

U.S. rejects EEC call to share wheat markets

By John Wyles in Knokke

SENIOR U.S. and EEC agriculture officials clashed here yesterday over whether there is a need for international co-operation to cope with a major cereals glut in the world later this year.

In a speech to a conference of journalists from the Community and the U.S., M Claude Villain, the European Commission's director-general for agriculture, called for three separate agreements between the major wheat exporters—the U.S., the EEC, Canada, Australia and Argentina.

Warning of the "dangerous perspective of a stagnant world market," coupled with record crops in the major exporting countries, M Villain suggested an agreement between the producers which would share out the world market between them should prices drop below a certain level.

M Villain also suggested separate accords covering import financing by countries purchasing cereals and one on food aid covering special sales to developing countries.

"For our own survival, it is essential that there be a minimum degree of understanding between us. We must not, like lemmings, plunge over the cliff face," said M Villain. However, Mr Richard Lyng, the U.S. Deputy Secretary for Agriculture, rejected this approach out of hand. "We oppose market sharing agreements, they freeze production and markets in a way that is unrealistic," he said.

Their exchanges confirmed that the differences between the Community and the U.S. over agricultural trade remain relatively undiminished after more than two years of intensive talks to try to defuse them. M Villain yesterday defended the Community system of subsidising its farm exports and claimed that the recent farm reform agreement within the Community would lead to fewer surpluses to be exported.

He accused the U.S. of indirectly aiding its own agricultural exports and of providing equivalent support to its farmers.

Mr Lyng, meanwhile, repeated the U.S.'s familiar complaints against the growth of EEC farm output and surpluses and the use of export subsidies to sell into world markets.

Howe . . . decisive progress.

UK may compromise on budget

By Ian Davidson

SIR GEOFFREY HOWE, British Foreign Secretary, yesterday appeared to be signalling a greater willingness to compromise in the long-running negotiation over the UK contribution to the European Community budget, in advance of next Monday's meeting of the 10 foreign ministers in Luxembourg.

In a two-page survey of the state of the negotiations, Sir Geoffrey underlined how much had already been achieved since the Stuttgart summit last year, with significant concessions by the other member states, and real flexibility on the part of the British government.

"Decisive progress has been made on virtually the whole of the Stuttgart agenda except for the figures to establish the budget mechanism. This is a striking achievement. The gap on figures is also capable of being bridged."

At the last foreign ministers' meeting two weeks ago, negotiations were deadlocked, with Britain demanding an initial rebate of 1.25bn Ecu, and the other nine member states offering only 1bn Ecu.

In yesterday's statement, Sir Geoffrey continued to reject the offer of the Nine: "There can be no question of HMG agreeing to a refund figure of only 1bn Ecu," he said.

● Mrs Margaret Thatcher is to have bilateral meeting with President Mitterrand of France in his capacity as EEC President before the next summit meeting of the Community heads of state, writes John Hunt. The EEC summit is scheduled for June but could be brought forward.

The bilateral meeting, which might take place in Paris, emerged yesterday following embarrassment over a visit which M Mitterrand is to make to Britain on Monday for the inauguration of the joint European jet project at Culham, Oxfordshire.

PRESIDENT'S WHEREABOUTS UNKNOWN

Factions clash in Cameroon coup attempt

BY QUENTIN PEEL, AFRICA EDITOR

THE OUTCOME of an attempted coup in Cameroon, one of Africa's most prosperous states, was still in the balance last night, with rival factions of the Presidential guard involved in the fighting.

Shooting and even artillery fire was reported from around the presidential palace in Yaounde, the capital, during the day, but there was no clear evidence on the whereabouts of President Paul Biya, the head of state since 1982.

Telephone and telex links with the country were cut, and the national radio station played only martial music when it was broadcasting.

French reports, quoting diplomatic sources, said the action appeared to have started as a mutiny by northern soldiers in the presidential guard, following an order given by President Biya on Thursday for them to be transferred to other units.

The president is a southerner and a Christian, unlike his predecessor Ahmadou Ahidjo, who was a northern Moslem.

The action caught both Western diplomats and businessmen by surprise, because they have come to regard Cameroon as one of the most stable African countries, able to feed itself, while also being a net energy exporter from its offshore oilfields.

However, there have been growing signs of tension following the peaceful transfer of power from President Ahidjo to President Biya in 1982, culminating in accusations last year by the new head of state that his predecessor was plotting to return to power.

Ex-President Ahidjo, now living in exile in the south of France, and two of his former aides, were sentenced to death following an official trial in February, but the sentences were subsequently commuted to life imprisonment by President Biya.

The former President denied yesterday that he had any part in the latest action, saying in a radio interview that it was "up to them to work it out for themselves." However, he said that if his supporters were involved, "I believe they will come out on top."

President Biya has been highly regarded by Western diplomats and the business community as an able technocrat, although his ability to balance the divergent regional and religious interests in Cameroon has not been so clear. However, he had hitherto moved quickly to consolidate his position, and to promote trusted advisers.

Ex-President Ahidjo ruled the country for 22 years, brooking no political dissent, following the civil war which preceded independence. His autocratic one-party system laid the foundation for Cameroon's relative prosperity, combined with the discovery of oil on the coast.

Paul Biya . . . disappeared

IMF delays approval of Peru's and Chile's economic plans

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE International Monetary Fund has delayed formal approval of this year's economic programmes for Chile and Peru following the recent change in finance ministers in both countries.

The IMF's Executive Board had been scheduled to approve Chile's programme earlier this week, while Peru's programme was on the agenda for yesterday. Both decisions, which are needed for the IMF to disburse loans to the countries concerned, have now been put off until after next week's IMF Interim Committee meeting. Only a preliminary discussion of Peru's programme took place yesterday.

It is understood that M Jacques de Larosiere, IMF Managing Director, wants to use the opportunity of meeting the new Chilean minister, Sr Luis Escobar, at next week's meeting before recommending the economic programme to the board. It is not yet clear whether Sr Benavides Munoz will attend the meeting.

Both new ministers have stated publicly that they intend to stick by the programmes negotiated by their predecessors, but for the time being the IMF prefers a more cautious approach even though this could delay new financial support from commercial bank creditors.

Chile has asked its bankers for a $780m loan this year while it also wants a further disbursement of the $870m loan package agreed with the IMF in 1983. Peru is seeking no fresh money, but it has asked banks to reschedule $1.5bn in maturing medium-term debt and the IMF for a SDR 250m ($265m)

In Peru's case the decision to postpone approval of the programme was taken despite a formal request to M de Larosiere from Sr Benavides Munoz that it should go ahead.

"The timely support of the IMF to the 1984 Peruvian economic programme is extremely important to us, since it relates to various negotiations now in progress with our foreign creditors," the minister said in a telex to M de Larosiere.

● Mexico has revealed that it lent Costa Rica $50m earlier this year to bridge a short-term payments gap. This was before it orchestrated last week's $500m rescue package for Argentina and bankers say it confirms Mexico's desire to play a leading role in helping smoothe out problems for other Latin American countries with debt problems.

Gandhi cuts short tour in face of Sikh tension

By John Elliott in New Delhi

THE PRECARIOUS security situation in the northern Indian state of Punjab yesterday prompted Mrs Indira Gandhi, the Prime Minister, to cut from six days to three a tour of Arab countries she is starting today.

This was announced shortly after it was revealed that Mr Rajiv Gandhi, the Prime Minister's son, and an advocate of a strong line against Sikh extremists, had been threatened with assassination.

The situation in the Punjab remains tense at a time when the government is increasing its emergency powers to shoot and jail suspected agitators. But there have only been relatively minor disturbances in the 36 hours up to yesterday evening.

Mr Gandhi is believed to have been among leading politicians who tried unsuccessfully last month to persuade Mrs Gandhi to send troops to the Golden Temple in Amritsar, occupied by leading Sikh militants.

The assassination threat was sent in a letter to the Indian Express national daily newspaper in the name of the Dashmesh regiment, which has claimed responsibility for three political assassinations within the last nine days. Dashmesh means the tenth and is named after Gobinder Singh, the Sikh guru who 300 years ago set the sect on its proud religious path.

The group is believed to consist of 150 to 200 young people, including students who operate in bands of three or four. The assassinations carried out recently in the name of this group have brought a new dimension to the impact of the Sikh extremists.

The Government yesterday reiterated its willingness to hold talks with Sikh leaders. But it was strongly criticised in the Delhi parliament by Opposition leaders for not being tough enough with those causing the disturbances.

During the day, a worker at a milk plant near Chandigarh was shot and injured and a college building was set on fire.

In Amritsar, a ban on the carrying of firearms was yesterday extended to cover all kinds of lethal weapons including daggers and swords. But Sikhs will still be allowed to carry ceremonial daggers.

IG Metall talks on hours cuts collapse

BY JAMES BUCHAN AND RUPERT CORNWELL IN BONN

A LAST-DITCH attempt to reach agreement over a shorter working week in West Germany's key metal and engineering industries failed in Frankfurt last night, raising the prospect of the most serious industrial unrest for years.

Discussions between employers leaders and IG Metall, the metal and engineering workers' union had continued fitfully throughout the day. But the two sides apparently remained divided over the IG Metall demand for a shorter working week.

"We still haven't come any closer," Herr Hans Mayr, president of IG Metall, said during an early evening break in the negotiations. Earlier, Herr Wolfram Thiele, head of Gesamtmetall, the engineering employers federation, had made clear that his side would not budge from the basic 40 hour week currently standard here.

The talks took place against an unprecedented wave of one-hour warning strikes, above all at engineering companies in the rich southern state of Baden-Württemberg. Over 135,000 workers were involved, according to an IG Metall spokesman.

In recent days, the union side has indicated several times that it is prepared to accept a compromise to bring in a 35-hour week in stages. But the pattern of yesterday's meeting would seem to indicate that the employers, confident of victory, are bent on a trial of strength.

Separately, a strike call from IG Druck, the union representing the country's 160,000 print and paper industry workers, came after collapse of its own talks with employers — again on the issue of the 35-hour week.

IG Druck now plans to carry out strike ballots "at certain concerns," which could lead, among other things, to stopping some West German newspapers. The union has instructed members to refuse all overtime and special shift work, with immediate effect.

Chancellor Helmut Kohl yesterday held talks with a senior East German official in Bonn to prepare the way for a visit by Herr Erich Honecker, the East German leader, to the Federal Republic in the autumn, writes James Buchan in Bonn. Herr Guenter Mittag, a politburo member, said he expected the Honecker visit to go ahead. The two men also took one step towards agreeing to make a study of the environment.

Mellon in challenge to U.S. bank laws

By Paul Taylor in New York

MELLON NATIONAL, the Pittsburgh-based bank holding company and the 13th largest banking group in the U.S. plans to set up an interstate network of 15 consumer banking offices across the U.S.

The move, which is subject to regulatory approval, represents a major challenge to U.S. banking laws which generally restrict or ban interstate banking and comes amid mounting pressure by bank regulators for urgent action from Congress on proposed financial service industry deregulation.

Mellon, which has been expanding rapidly recently acquiring three Pennsylvania banks, is seeking to exploit a loophole in the existing legislation which allows financial service companies to set up so-called "non-banks"—banking offices which accept consumer deposits and make consumer loans such as mortgages but are not permitted to make commercial loans.

Until recently, most of the pressure to set up such operations has come from financial institutions outside the banking industry. But three key recent regulatory decisions appear to have opened up the way for an expected flood of applications from major players in the banking industry itself.

● Two weeks ago the Federal Reserve Board approved an application by U.S. Trust of New York to set up a subsidiary accepting consumer deposits and making consumer loans in Florida.

● The Fed approved two mergers between banks in New England where states have set up the so-called New England experiment providing for interstate mergers between banks.

● Last Sunday Mr Todd Conover, the U.S. Comptroller of the Currency, ended a one-year moratorium on financial service companies setting up "non-banks."

These three moves, together with previous precedents like BankAmerica's acquisition last year of financially troubled Seafirst Bank in Seattle and Citicorp's acquisition of a string of troubled savings institutions appear to have dramatically widened interstate banking possibilities.

Meanwhile, bank regulators have been increasing the pressure on Congres to lay down expanded rules covering the offering of financial service products and the definition of what is a bank.

Earlier this week, in congressional testimony, Mr Paul Volcker, the Fed chairman, urged Congress to act as soon as possible on proposed legislation which would close loopholes and allow banks expanded powers.

This view was subsequently repeated in the wake of Mellon's application to the Fed and the comptroller to open banking offices in Atlanta, Baltimore, Boston, Chicago, Cleveland, Dallas, Denver, Los Angeles, Miami, New Orleans, New York, Phoenix, Seattle, Springfield and Washington.

Oil search off Canada agreed

BY BERNARD SIMON IN TORONTO

EIGHT OIL companies will spend up to C$740m (£404m) over the next six years on oil exploration off the coast of Newfoundland and Labrador, and in the Gulf of St Lawrence, under agreements with the Canadian Government announced by Mr Jean Chretien, the Energy Minister.

An official of the Oil and Gas Lands Administration said that the final batch of agreements for drilling off Canada's east coast, involving exploration off Nova Scotia, will be announced shortly.

The latest concessions involve the drilling of at least 17 wells and bring the total amount of planned exploration spending off Canada's east coast to C$2.6bn. In addition, the Nova Scotia agreements are likely to include investments similar to those in Newfoundland and Labrador.

It is by no means certain that these amounts will actually be spent. Progress in exploration will depend on such imponderables as the oil price and the future of controversial government exploration incentives. But the Government is keen, for political reasons, to demonstrate its commitment to east coast communities and to assert its authority in oil exploration over the provincial governments. The official press release emphasised the number of jobs to be created by the exploration programmes.

The main beneficiary of the latest agreements is Esso Canada Resources, a division of Imperial Oil (which in turn is controlled by Exxon), which will drill five of the 17 holes. Others include Canadian subsidiaries of Standard Oil of Indiana, Shell, Texaco, and Ultramar.

Soviet jet 'circled Pan Am aircraft near West Berlin'

BY LESLIE COLITT IN BERLIN

A SOVIET MiG fighter circled a Pan Am airliner on a flight from West Berlin to Frankfurt in one of the air corridors between Berlin and West Germany, a Western official said yesterday.

The incident occurred during a series of Soviet restrictions imposed since late February on Western use of the three air corridors connecting West Berlin and West Germany.

Under an agreement with the Soviet Union, these have been reserved for the use of the Western allies since 1945.

The official said the Soviet jet came to within a half mile to three miles of the airliner but that there had been no danger of collision. The passenger plane was flying at its normal altitude, he noted, as no Soviet altitude restrictions were in effect at the time.

Since last February the Soviet Union has repeatedly asked the Western allies to alter the altitude at which allied aircraft use the Berlin corridors because of Soviet air manoeuvres. These requests have been complied with to avoid collisions, say the Western allies.

Theories vary on why Moscow has chosen this moment to put pressure on the western use of the air corridors over East Germany.

One view is that Moscow decided to test the allies' resoluteness in Berlin. If the allies back down on a seemingly minor issue, then Moscow would probe for further gains without intensifying the situation.

Officials sharing this view point to the recent mild reaction in western capitals as evidence Moscow may have been encouraged to continue its restrictions.

Other officials point to several firm Western protests to Moscow as a sign that the West regards Soviet intervention in the air corridors as serious while not wishing to engage in a shouting match with Moscow.

Thatcher pledge on Hong Kong

BY DAVID DODWELL

MRS MARGARET THATCHER, Britain's Prime Minister, yesterday affirmed her "continuing commitment to Hong Kong and to the search for a settlement acceptable to Parliament, China and the people of Hong Kong," following talks in London with "unofficials" representing Hong Kong's Executive Council.

The statement comes nine days before Sir Geoffrey Howe, Britain's Foreign Secretary, arrives in Peking for talks on the future of Hong Kong with Chinese leaders.

The 10 "unofficials" — appointed representatives of Hong Kong's most important political body—were led by Sir Edward Youde, Hong Kong's Governor. Following their fourth set of talks in London since July last year, Mrs Thatcher said she had had a "comprehensive review of the developments in the talks on the future of Hong Kong."

She said the meeting with "unofficials" had been important in gauging "feelings and opinion" in Hong Kong before Sir Geoffrey's visit.

It had revealed a "close identity of views," she said and was part of an effort to keep Hong Kong's executive council fully informed, and to seek their advice.

● Sir Geoffrey Howe has cancelled plans to hold a Press conference during his visit to China, reports Mark Baker from Peking.

The decision appears to be designed to placate public opinion in Hong Kong, where there has been strong criticism of the planning of his visit. He will now wait until he flies out of China to Hong Kong before he makes any public comment on the talks.

A British official in Peking said yesterday that Sir Geoffrey wanted to discuss the outcome of his Peking talks with members of Hong Kong's executive council

Fall in U.S. jobless rate peters out

By Stewart Fleming in Washington

THE RAPID fall in U.S. unemployment over the past six months petered out in March with the jobless rate holding steady at 7.8 per cent, the Labour Department reported yesterday.

But Ms Janet Norwood, the comissioner for labour statistics, maintained that the March figures, which showed further strong gains in the number of Americans with jobs indicate "continued strength in the economy."

The bureau said that non-farm employment rose by 145,000 rather more slowly than in February when there was a remarkable 385,000 gain. But Ms Norwood pointed out that new jobs were created across a broad spectrum of the economy.

Along with slower employment growth there was a slight fall in working hours in non-agricultural industries from 35.4 hours to 35.2 hours and average weekly earnings fell 0.3 per cent.

Fixed interest markets, which had been looking for some evidence that the torrid pace of economic expansion may be cooling, rallied modestly on the employment data.

Some economists have been suggesting that an easing in the labour market might indicate slower economic growth and perhaps a slackening of pressure on interest rates. But the overall data is inconclusive partly because of the uncertain seasonal adjustments in a month in which unusually bad weather hit the construction industry but also because of the continued strength of the growth in employment.

Israeli build-up fuels fears of clash with Syria

By Nora Boustany in Beirut

AN ISRAELI troop build-up in the eastern Bekaa valley has raised concern over Syrian-Israeli hostilities in the aftermath of the guerrilla attack in Jerusalem last Monday.

Local Press reports said that sporadic clashes between Syrian and Israeli positions occurred all along the front on Thursday night, stepping up tension along the Bireh heights and east of the village of Kamed Al Loz.

Lebanese army officials confirmed there were troop concentrations, but declined to comment on their significance.

Local media have reported firing incidents over the past two weeks. Only once did Israel admit firing artillery rounds into Palestinian guerrilla camps in Syrian-held territory but mentioned no actual fighting.

Reuter adds from Bahrain: A Soviet official was quoted yesterday as saying Israel would pay dearly if it attacked Syria.

Mr Karen Brutents, a member of the Soviet Communist Party's Central Committee, told the Kuwaiti news agency Kuna that "Israel will pay a high price if it commits aggression against Syria."

It knows that Syria's strength is big enough and that Syria can also get help from its allies and friends," said Mr Brutents, deputy head of the Central Committee's international department.

S. Africa commission calls for law reform

BY OUR JOHANNESBURG CORRESPONDENT

SWEEPING reforms of South Africa's judicial system, including overhaul of the entire administration of influx control regulating the movement of blacks, have been called for by a government-appointed commission of inquiry.

The report of the Hoexter commission, tabled in Parliament in Cape Town this week, concludes that the reforms are necessary simply to improve the structure and function of the courts. It blames the influx control system—the so-called pass laws—for overloading the courts with technical offenders, and giving South Africa the highest per capita prison population in the world.

The report, commissioned by the South African Government in November 1979, also calls for measures to increase the independence of the South African judiciary, to answer black suspicions of the system as "an instrument . . . to subjugate the black man," and to improve the general dispensation of justice.

It was welcomed by opposition politicians, including Mr David Dalling, justice spokesman of the Progressive Federal Party, who described it as "a comprehensive indictment of government inertia." There has as yet been no specific Government response.

The commission, chaired by Judge Gustav Hoexter, makes a wide range of recommendations including:

- the abolition of black commissioners' courts trying pass law offences
- removal from the Cabinet of the right to appoint judges
- That magistrates should no longer be civil servants.

The commission also flatly rejects a recommendation by the Department of Cooperation and Development—the ministry dealing with black affairs—that there should be separate judicial systems for blacks and whites. It describes the suggestion as "by any civilised standard unnecessary, humiliating and repugnant."

The wording of the report is remarkably outspoken for an official document, and it focuses particular attention on the pass laws, which are central to the government's whole apartheid system.

The report concludes that the dispensation of justice is impaired by the overcrowding of courts by technical offenders, guilty of trying to move from the rural areas into the towns.

Confidence vote sought on Italy's wage cut plan

By James Buxton in Rome

THE ITALIAN cabinet decided yesterday to ask for a vote of confidence in the lower house of parliament on its decree cutting wage indexation this year. The issue has dominated Italian politics to the exclusion of almost all else for nearly two months.

But the decree, which the Government considers an important part of its anti-inflation strategy, is unlikely to be approved before it expires on April 16 because of no-holds-barred opposition by the Communist Party.

Chances of securing approval in time were sharply diminished by the decision of Sra Nilde Jotti, the Communist president of the Chamber of Deputies, the lower house, to cut short the time each MP can speak on the decree—a provision the Communists are likely to exploit to the full.

If the Government wins a vote of confidence on the mesure, as it should do, it can then claim that only Communist filibustering and unwieldy parliamentary procedures prevented the decree becoming law. It should then be able to present it again.

A Government attempt at reaching a compromise on the decree, which cuts the Scala Mobile indexation system this year by three percentage points of inflation, failed earlier this week when the Communist leader of the CGIL union, Sig Luciano Lama, refused to accept concessions offered by the Government.

Paradise lost for islands' boss

BY JANE EYRE OF REUTERS IN COCOS ISLANDS

THE COCOS ISLANDS yesterday voted to integrate with Australia, ending the rule of a Briton whose ancestors fashioned a self-styled Indian Ocean paradise kingdom over 150 years ago.

All 161 eligible voters among the 300 citizens turned out, and 129 supported the integration option, rejecting the alternatives of independence or free association with Australia.

The United Nations-supervised vote could mean the eventual expulsion of Mr John Clunies-Ross and his family, former owners of the 27 coral atolls, some 1,700 miles northwest of Perth in Western Australia. The islanders' forebears came as indentured workers from Malaysia and Java.

Mr Clunies-Ross has made clear he wants to stay on the island domain. But the islanders no longer want to co-exist with Mr Clunies-Ross. For years they have worked on the family coconut plantation, being paid until 1978 in plastic tokens, redeemable in the family store. They still angrily recall periods when they were forbidden to speak to outsiders and faced permanent banishment if they left the islands.

"We have asked for him (Mr Clunies Ross) to be removed and we won't take that back." Mr Cree Bin, a local co-operative chairman, said.

Mr Clunies-Ross had urged complete independence for Cocos or free association, which would enable the island to remain a tax-free haven. He has several companies registered in the islands.

The Australian Government in 1978 bought his plantations for A$6.25m (£4m) and gave them to the villagers. He has so far successfully blocked their attempts to acquire his remaining 12 acres and huge mansion, Oceania House.

Barefoot and relaxed in a vast timber-lined room of the mansion, the London-born businessman fascinates listeners with tales of his seafaring Scottish great-grandfather, who with a retinue of women carved out an Indian Ocean paradise here in 1825.

He also scoffs at suggestions that his former workers are now hostile towards him and rejects allegations that he ran the Cocos like a feudal lord. He prefers to seehimself as a clan chieftain.

Integration with Australia will gicve islanders full rights as Australian citizens, but they will run their own domestic affairs. Canberra had pledged a A$10m housing grant if they become part of Australia.

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Borrie warns on 'dubious' claims by advertisers

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

A WARNING to major companies not to flout the voluntary code on advertising standards was given last night by Sir Gordon Borrie, director-general of fair trading.

Sir Gordon cited a number of recent examples of large companies being criticised by the Advertising Standards Authority, the voluntary watchdog for the advertising industry, in a speech to the Institute of Marketing.

Among those he *singled out* for mention was the J. Sainsbury supermarket chain, which had promoted its own-label mineral water with the claim: "all tap water is recycled." Much tap water in Britain is supplied from upland reservoirs and from underground sources. "Such water would not have been recycled in the manner described," said Sir Gordon.

Sir Gordon argued that, "when so many claims are misleading, uninformative or dubious, and some well-known firms are seeking short-term gains through such practices, it is difficult for others to maintain a more helpful and responsible approach."

He added that there was a "danger of standards declining generally if the more reputable begin to feel that others less conscientious than themselves are taking trade away from them."

Last December, the authority commented that the most worrying trend in 1983 was the number of advertisers who were failing to substantiate claims or who were making claims with little or no regard for the evidence to support them. "Too many of the advertisers concerned appear only to begin to dream up a hasty substantiation after a complaint has been made," said the authority.

The Office of Fair Trading is closely monitoring the level and type of complaints made about advertising to see whether any new legal powers need to be introduced to raise standards. Sir Gordon made clear last night that he believes "the system needs a legal back-up in the form of an injunctive procedure, under which I would have the power to seek a court order to restrain an advertiser from seeking to publish an advertisement which was likely to deceive, mislead or confuse the consumer."

Such a recommendation was made in a Department of Trade report over four years ago, but the Government has so far shown no inclination to give such a power to the OFT.

Instead, the Government appears to be waiting for the proposed EEC directive on misleading advertising to be adopted, to give some greater weight to efforts to control recalcitrant advertisers.

Alison Hogan on a stamp company's Stock Exchange problems

USM impasse for Stanley Gibbons

DEALINGS MADE a brisk start in the shares of three new Unlisted Securities Market companies at 9.30 am on Monday. But 16 minutes later an abrupt halt was called to dealings in one—Stanley Gibbons Holdings, the well known philatelists, which was coming to the Stock Exchange after a period of great change in the make-up of the business and its ownership.

The official notice had not been posted by the exchange granting permission for dealings to begin, as required under rule 195. That omission, considered virtually a rubber-stamp procedure, had been completely overlooked by brokers and jobbers.

The dealings had to be cancelled and unscrambled, the *price removed from the jobbers' board.*

This about-turn by the quotations department, which had indicated on the Friday that permission would be given, was due to press comment over the weekend on past activities of directors of the company. The comment arose from an anonymous letter sent to some Fleet Street newspapers.

The brokers to Stanley Gibbons, Simon and Coates, hoped that the problem would be resolved in a matter of hours that dealings could commence later in the day.

Yet as the hours and then days passed and further press comment fuelled further speculation about the company and its chairman in particular, its future on the USM looked increasingly uncertain.

After lengthy discussions between the quotations committee and all the company's advisers, Simon and Coates announced yesterday that the issue would be withdrawn.

Stanley Gibbons is not the first USM company to be pulled out at the last minute. Pevril, a printing company, and Euroflame, a wood stove manufacturer, had their launch on the market held up.

Peveril retired from the scene. Euroflame came back, only to go into liquidation soon after its USM launch.

That has contributed to concern, according to a Stock Exchange official, over a growing tendency for sponsors to be involved in USM issues "which do not obviously belong to the first rank in City terms."

Such a comment could not be levelled in the case of Stanley Gibbons. Simon and Coates have established a reputation as one of the most successful sponsors of USM companies. The reporting accountants, Peat Marwick, is the UK's largest accountancy firm, with the greatest experience in USM issue. Solicitors to the issue was the established City firm, Clifford Turner.

City advisers watching from the sidelines were eager to give assurances that their systems were adequate to prevent such an occurrence.

The quotations committee's investigations centred principally on two questions. The first was whether certain activities of directors of the company, unrelated to Stanley Gibbons, and which were omitted from the prospectus, were material facts which should have been included.

Simon and Coates said yesterday that on the basis of inquiries to date they had no reason to believe that the prospectus was misleading.

The second question concerned Mr Clive Feigenbaum, the chairman and major shareholder of Stanley Gibbons. He was expelled in 1970 from the Philatelic Traders' Society for failing to comply with its code on the description of so-called *"propaganda labels"* for advertising promotions, a fact which had not been disclosed to the company's advisers.

According to Simon & Coates, that raised questions of his suitability to be chairman of Stanley Gibbons and prevented the quotations department from permitting dealings on the USM to go ahead.

The chairman has now resigned, and in due course will substantially reduce his shareholding. The managing director, Mr David Stokes, says: "The whole affair has been most regrettable but we can take heart that the company has not been affected and hope we can now get on and develop the business."

The episode will have raised several questions in the City, about the screening process and whether it could be improved.

Brokers and merchant banks who act as sponsors to new USM issues on average turn down more companies than they agree to take on.

Capel Cure Myers insists that all companies must have a long form report undertaking by a firm of accountants, which is an extremely thorough review into the business activities, management systems and finances of the company.

Some companies refuse on grounds of cost and go to another broker which does not insist on these requirements.

The financial advisers then undertake lengthy discussions *and investigations into the background* of the company directors, and the trading performance of the company.

The decision on what might be considered material facts is discussed jointly by brokers, accountants and lawyers though generally the lawyers take the lead in this area. They must decide if a fact is relevant to the formation of a proper view of the company.

The quotation department would expect to see several drafts of a company prospectus in the couple of months prior to an issue.

The high rate of new issues —there were 10 on the USM in March has increased the pressure on the department.

Jobless problem long-term, Thatcher says

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

MRS THATCHER indicated yesterday that although the Government's policies are reviving the economy, the high level of unemployment was likely to be long-term and difficult to solve.

Her speech, to a conference of Conservative students, was similar to one she made recently to rally the party faithful after criticisms of the Government and the so-called "banana-skin syndrome."

Mrs Thatcher *said the problem* of finding enough jobs had been more difficult because the baby booms of earlier years were now producing school-leavers. The number of people of working age had risen between 1979 and 1984 by 1m and would go on rising for a few years.

"So while the number of jobs available can be increasing, so too can the number of job seekers," she said.

There would be new challenges in the decades ahead because the basis of employment was changing. He age when a large number of semi-skilled workers was needed on production lines was drawing to a close.

Robots were taking over and information technology and control systems were already making other types of job obsolete.

We had to discover new products and new ways of satisfying consumer needs. That was the role of the entrepreneur, the go-getter, the designer and even the dreamer.

"That is the road to new industries and new work," the Prime Minister said.

The Conservative revolution had restored Britain's economic *performance. The gradual erosion* of the spirit of enterprise had been reversed and Britain now had one of the highest economic growth rates in the European Community. Britain had the fastest growing electronics industry in Europe and had become a magnet for technological investment.

However, Britain would not win by cosseting its industries or by the Government's guaranteeing wages, jobs or profits. A protective blanket around firm or industry would only smother it.

Mrs Thatcher rejected the "soft option" of permissive monetary policy and said the Government would stick to its policies of sound finance, economic freedom and enterprise.

Government seeks more Sealink bids

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE Government is encouraging more potential bidders to enter the competition to buy Sealink UK, the cross-Channel ferry subsidiary of British Rail.

About a dozen companies and consortia had already shown an interest, said Mr Nicholas Ridley, Secretary of State for Transport. Others could still enter the lists by approaching Morgan Grenfell, the merchant bank.

He mentioned no names, but several interested companies have shown their hand, including Trafalgar House (owner of Cunard), Peninsular and Oriental Steam Navigation (which runs P & O Ferries), and Sea Containers.

Mr Ridley emphasised that British Rail intended to sell Sealink's harbours and ferry operations in one operation and would not consider offers for separate parts of the company.

Potential buyers are being sent detailed information of the company on the promise to keep the information confidential. It is not known whether European Ferries, previously prevented by the Monopolies and Mergers Commission from bidding for Sealink, has been sent the information.

Sealink UK, which operates 38 ships of its own in partnership with 15 owned by Continental companies, last month reported a £12.8m profit last year, before interest and tax, against £2.9m in 1982.

A consortium including the National Freight Consortium, is also interested in bidding for Sealink. It would have a provision for employee share ownership, something on which British Rail has said it is keen.

Trade unions are opposed to the privatisation of the ferry company. Leaders of the National Union of Seamen decided this week to call 3,000 members on Sealink ferries to "stop work" meetings, likely to disrupt sailings, on April 12.

Forestry sales target 'will be met'

By Richard Mooney

THE Forestry Commission is confident it will complete the £82m worth of sales of woodland demanded by the Government by the March 1987 deadline.

In its annual report published this week the commission admits that sales in the year to March 1983—the first full year of its sales programme—fell short of the £20m target.

However it said the target would have been exceeded if sales awaiting legal completion had been added to receipts of £13.8m in that year.

Mr John Gwynne, the commission's director of estate management, said yesterday receipts to date were in excess of £40m. Committed but uncompleted sales amounted to another £15m.

He said slow sales at the beginning of the six year programme, which began in 1981, were not unexpected. "When we started we knew less than we do now."

In the early days of the programme the commission offered a lot of small parcels of forest, in accordance with its need to rationalise its holdings. These offers found a good market but were troublesome and time-consuming, said Mr Gwynne.

As the programme has progressed larger holdings have been offered for sale and the rate of sales has accelerated.

In the 1982-83 year a high proportion of medium-sized woodlands, between 50 and 100 hectares, failed to sell because they were too big for private investors and too small for the institutions, the annual report said.

It also reported widespread and vociferous opposition to proposed sales.

The commission said yesterday, however, that the opposition was largely based on misunderstandings about the affect of the sales on woodland amenities. No offers for sale were abandoned as a result of the protests, said an official, and no reports had been received of new owners restricting public access.

Building output rise forecast

By Lynton McLain

CONSTRUCTION industry output this year is expected to continue the upward trend set in 1983, but at a slower rate.

Output is forecast to rise by 3.5 per cent to £21.87bn this year, with no growth next year and a 1.5 per cent decline is forecast for 1986.

Increased numbers of new houses are expected to be completed this year and a "surge forward" is expected in new work for industrial premises, according to the National Council of Building Material Producers.

The council forecasts 190,000 new housing starts in the public and private sectors, compared with 215,000 last year. The total number of starts is forecast to fall to 175,000 in 1985 and 170,000 in 1986.

The council forecasts 210,000 completions this year, compared with 189,000 last year and 190,000 next year.

Sizewell B construction postponed

By A Special Correspondent

THE CENTRAL Electricity Generating Board has postponed the start of construction of the Sizewell B reactor until September, 1986 — 18 months later than the date given to the inquiry when it began in January last year.

The board had already put back the proposed start on main foundations to spring 1986 and yesterday it informed Sir Frank Layfield, the inspector, of the further postponement.

Revised project management proposals submitted to the inspector blamed the postponement on the unexpected length of the inquiry, delays in ordering special parts for the reactor pressure vessel and in obtaining safety clearance from the Nuclear Installations Inspectorate.

New arrangements for ensuring that the Sizewell project is built to time and cost were described to the inquiry by Mr Brian George, technical director of the newly-created Project Management Group.

A special licensing section is being formed within the new management organisation to try to speed up the safety clearance. It involves staff from the CEGB and the National Nuclear Corporation (NNC).

Under the new arrangements, the CEGB said it recognised the vital importance of settling the basic design of the pressurised water reactor before construction begins, and of maintaining strict control of any further changes.

The CEGB said it also accepted the need to bring all aspects of the project to an advanced state in order to make a "clean start" on construction.

It intended to apply the past lessions of power station construction experience, which include avoiding unnecessary innovation.

The board also announced yesterday that Mr James McFarlane, head of NNC's construction division, would be Sizewell B construction manager if the project was given the go-ahead.

ICI/Air Products plan argon plant

ICI and Air Products (UK) have reached agreement in principle to build a £6m, 13,000 tonnes a year, argon plant at Billingham, Cleveland, headquarters of ICI's agricultural division.

Under the contract, expected to be signed by mid-year, Air Products will design, build and own the plant and market the product. ICI will run it.

Telecommunications move likely

BY GUY DE JONQUIERES

THE GOVERNMENT plans to overhaul procedures for approving liberalised telecommunications apparatus, in response to strong complaints from industry that existing arrangements are not working.

Mr John Butcher, the junior Industry Minister, is expected to announce on Monday a review of the technical standards set for a wide range of competitively-supplied subscribed equipment, from simple telephones to private branch exchanges.

The planned review is expected to lead to much simpler standards. These would continue to ensure protection of British Telecom's network and the safety of users, but would not set the same high levels of equipment performance required by existing rules.

The current standards, written during the past two-and-a-half years by a group of committees supervised by the British Standards Institution, have been widely criticised as too detailed and demanding.

The approval procedures were created in 1981, when the Government began liberalising the telecommunications market to allow many types of subscriber equipment to be sold competitively instead of being rented by British Telecom.

Manufacturers have complained that the strict standards result in unnecessary delays and expense. Some have had to modify equipment repeatedly before obtaining approval from the British Approvals Board for Telecommunications, which is responsible for ensuring that standards are met.

So far, the board has approved 25 items and has a growing waiting list. Most of the approved equipment on sale —about 100 products—has been rushed through under a more flexible interim scheme set up by the Trade and Industry Department and British Telecom.

The interim scheme was designed to operate only until standards were written. That interim process is almost finished and the Government fears that unless the rules are changed, even bigger backlogs may build up as the approvals board takes over responsibility for all approvals.

Barclays reports £784m of loans to Mexico

BY DAVID LASCELLES

BARCLAYS BANK, the UK's largest, has £784m in loans out to Mexico, one of the most heavily indebted of the Third World countries.

This is disclosed in the bank's annual report to the U.S. Securities and Exchange Commission whose disclosure standards are higher than Britain's.

The figure shows a sharp increase over the 1982 figure of £648m but since then Barclays has joined various rescue programmes for Mexico. The new figure is equivalent to 1.2 per cent of Barclay's total assets.

Mexico is the only country in financial straits to which Barclays has lent more than the equivalent of ¾ per cent of its assets, the level for disclosure under U.S. bank law.

The bank says it has loans out to about 30 countries "experiencing balance of payments difficulties" including Argentina. These amount to the equivalent of 4 per cent of total assets.

Barclays told the SEC that its foreign exposure was "well spread." It did not expect countries' debt problems to have a "materially adverse effect" on the group.

Company registrations to stay under Tebbit

BY ROBIN REEVES

THE GOVERNMENT has abandoned plans to hive off or privatise the Companies Registration Offices.

In an unexpected reversal of policy, Civil Service trade unions have been told that the offices will, after all, be kept under the wing of the Department of Trade and Industry. Announcing this Mr Norman Tebbit, Secretary for Trade and Industry, added that staff would be increased by 10 per cent to cope with a substantial rise in the work load.

The number of companies registered in the UK has increased by one-third to some 90,000 since 1979. But of this total, around 400,000 companies are failing to meet their statutory obligations to furnish up-to-date accounts annually.

The CRO have a total staff at present of 1,004, divided between the Cardiff-based headquarters, Edinburgh and London. An extra 100 staff will be recruited by July, mainly in Cardiff.

The future of the Patent Office is to be further reviewed as the Green Paper on Intellectual Property Rights and Innovation is considered.

BA shows £250m surplus

By Michael Donne, Aerospace Correspondent

BRITISH Airways' operating surplus for the financial year just ended will be about £250m, approximately a third better than the £174m surplus in the previous year.

Lord King, chairman of the airline, told a meeting of U.S. bankers in New York yesterday: "The determination shown and sacrifices made over the past three years have gone a very long way towards the making of a really sound and profitable business."

It was a misconception that British Airways was subsidised by the UK taxpayer. Its commercial borrowings would be put into an acceptable position before privatisation of the airline in the spring of next year.

Lord King's comments confirmed reports that the airline was expecting a substantially improved operating profit for 1983-84.

The airline's turnover during the previous year amounted to nearly £2.5bn. After interest, tax and other charges, the net profit for 1982-83 was £77m.

The airline's staff has been cut by more than 20,000 over recent years from a peak of nearly 59,000 in 1979 to below 37,000.

Uneconomic routes have been abandoned, the aircraft fleet reduced and many unwanted properties sold as part of an overall retrenchment programme. A substantial improvement in productivtiy has resulted.

Pym leads rebellion against GLC Bill

BY JOHN HUNT

THE GOVERNMENT is faced with a rebellion led by a group of former Tory cabinet ministers over its Bill to cancel the elections to the Greater London Council and the metropolitan counties which were due to be held next year

The revolt is led by Mr Francis Pym, the former foreign secretary, Sir Ian Gilmour, who was deputy foreign secretary, and Mr Geoffrey Rippon, former environment secretary, supported by other Tory backbenchers.

It threatens to be the most serious embarrassment for the Government since former Conservative Prime Minister Mr Edward Heath and other exministers opposed the Government's rate capping Bill in January.

Mr Pym, Sir Ian and Mr Rippon have put down an amendment to the legislation—the Local Government (Interim Provisions) Bill—which comes up for second reading next Wednesday. The amendment said it should not be given a second reading until the approval of the other Bill, due this autumn, to abolish the authorities.

Sir Ian said yesterday that the amendment represents a view which is quite widely supported among Tory MPs.

Other Tory MPs supporting the amendment so far are Mr Charles Morrison (Devizes), Jim Lester (Broxtowe), Cyril Townsend (Bexleyheath), Mr William Benyon (Milton Keynes), Mr Anthony Beaumont-Dark (Selly Oak).

On Monday the Government will face trouble in the House of Lords when its controversial rate capping Bill comes up for second reading there.

The Labour peers have put down an amendment which is expected to get support from the independent cross-bench peers and from some Tory rebels

The Government is taking the threat of the amendment very seriously and is mustering its strength in the Upper House to defeat it. If the amendment were passed it would be tantamount to a rejection of the rates bill.

UN talks on voluntary code 'close to breakdown'

BY ARNOLD KRANSDORFF

A TOP LEVEL appeal was made yesterday to prevent the breakdown of negotiations which have dragged on for seven years on a United Nations code of conduct for multinationals.

Although the negotiations for the code have been difficult, this is the first time that a senior official close to all the parties has admitted that the talks might founder.

Mr Sidney Dell, executive director of the United Nations Centre on Transnational Corporations, the official UN body charged with formulating the code, admitted that negotiations between the three main UN groups had reached a critical stage and that there was a "high risk" of the code being abandoned. The national groups are the developed countries, Third World nations and the Socialist bloc.

Speaking on the final day of the London conference on Multinationals in Europe, organised jointly by the Financial Times and the Geneva-based research organisation, the Institute for Research and Information on Multinationals (IRM), he disclosed that there were "serious difficulties" relating to some clauses of the code.

The fact that these difficulties related to only a minority of clauses—less than a quarter—did not mean that "we are sure of being able to achieve the necessary breakthrough," he said.

Referring to "some weariness among many of those concerned with the negotiations," Mr Dell said there was a growing belief among industrialised countries that general agreements on a code could not be achieved without new and unacceptable concessions. This belief was fortified by their current success in negotiating bilateral investment treaties with developing countries.

Although his brief was to press for the adoption of a code, Mr Dell said he would not argue for one if the costs of compromise were considered by the negotiating parties to be too high. In that case, he said, "it would be better for us to admit it and avoid undue prolongation of a futile effort."

He called on the negotiating parties to make additional efforts to bring the negotiations to a successful conclusion. "There is no issue that could not be resolved with goodwill, effort and flexibility on all sides."

Mr Dell said the final round of negotiations would take place in New York in June.

He disclosed that one of the most serious obstacles concerned the socialist bloc, which was insisting that their enterprises operating overseas should not be regarded as multinationals in the same way as privately owned multinationals.

FINANCIAL TIMES
Multinationals in Europe
CONFERENCE

Another disagreement, perhaps more serious, concerned the wording of the obligations of host countries towards multinationals, particularly the qualifications to protect sovereignty and development needs. Countries belonging to the Paris-based Organisation for Economic Co-operation and Development wished to limit the qualifications as much as possible in precise legal jargon, "which raises a question as to the appropriateness of such drafting for a code of conduct of the type now envisaged."

The conference also heard an admission from a prominent international trade unionist that the multinational lobby had won the day over the Common Market's controversial Vredeling proposals on worker participation.

Mr Herman Rebhan, general secretary of the 7m-strong International Metalworkers' Federation, said U.S. multinationals had poured money and men into Brussels to lobby against the proposals. "We have to be honest and say that the multinational companies beat us to the mark in the battle over the Vredeling directive."

Mr Rebhan gave notice "that unions had learned from the Vredeling experience. That is why they will have to become much more effective manipulators of the European bureaucracy," he said.

NSTITUTE OF FISCAL STUDIES REPORT

Lawson's reforms 'lead to dead end'

BY CLIVE WOLMAN

'HE programme of "radical eform" in the taxation of avings instituted by Mr Nigel awson, the Chancellor, in last ionth's Budget is leading to a ead end, says an Institute for 'iscal Studies paper, presented esterday.

The report, by Mr John Hills, enior Research Officer, examines the extent to which the udgetary changes in the taxation of different forms of avings and investment achieve he Chancellor's aim of simplifying the system and removing he worst distortions.

Mr Hills measures the values f different tax concessions or enalties for each type of avings. The wide variation in hese values, and their sensitivity to inflation rates is, he claims, an indicator of the unplanned distortions and arbitrariness of the tax system.

The budgetary changes, particularly the ending of the investment income surcharge and of life assurance premium relief, have reduced considerably the variation in tax privilege, Mr Hills concludes. But some changes, such as the imposition of the composite tax rate system on bank deposits and the concessions granted to share options, have worsened the distortions.

The abolition of life assurance premium relief has also made far more complicated any decision as to whether to invest in a new policy and when to cash in a policy taken out before the Budget, which attracts tax relief. This is because the distortions in the taxation of investment returns achieved by the insurance company have not been removed.

The halving of the rate of stamp duty on house-buying and on shares is also criticised by Mr Hills. The move ignores the proposals to reduce anomalies suggested in an Inland Revenue consultative document last year and benefits mainly those buying houses for more than £50,000.

The report concludes that because the Chancellor has ruled out changing the basis of the tax system, he can make only a few more piecemeal reforms in future—such as the phasing out of tax-free lump sums for pensions or the further indexation of capital gains tax. This would leave the bulk of variations in fiscal privilege unchanged.

In another paper, Mr Andrew Dilnot, also of the IFS, concludes that the large budgetary increases in income tax allowances will have virtually no effect on alleviating the poverty trap. This is because only 6 per cent of those who no longer have to pay income tax are heads of households. Most of the others are pensioners, youths and wives who are second earners.

Fiscal Privilege and Life Assurance, Page 7

Software research project to cost £3.6m

By Guy de Jonquieres

A £3.6M Government-backed scheme for research into techniques to produce complex computer software more efficiently was announced yesterday.

It is the first large project to be approved under the £350m five-year Alvey programme for research and development of advanced information technology.

Alvey is funded jointly by the Government and industry. The programme was set up last year following a report produced in 1982 by a committee headed by Mr John Alvey, then technical director of British Telecom.

Mr Brian Oakley, the Alvey director, said he hoped the three-year project, known as Aspect, would produce commercially useful programming tools to turn the writing of software from a craft into an engineering discipline.

It is claimed the project could lead to large savings in the £2bn a year spent on writing software in Britain. However, the Alvey team admitted that it would be hard to gauge Aspect's results because there was no reliable way of measuring existing levels of programming productivity.

The project will be carried out by Systems Designers, a leading software house, in collaboration with ICL, GEC Computers, York and Newcastle Universities and MARI Advanced Microelectronics of Newcastle. The Government will finance up to half of industry's costs and all the universities' spending.

Mr Oakley was encouraged by industry's eagerness to collaborate on the Alvey programmes, but said it was taking longer than expected to turn research proposals into firm projects. He expected to have committed a third of Alvey's total budget by the end of this year.

NUT calls for one-day strike over 3% pay offer

BY OUR LABOUR STAFF

THE EXECUTIVE of the National Union of Teachers has called for a one-day national strike at the start of the summer terms to protest against pay offer of 3 per cent to the country's 420,000 teachers.

Members of the NUT, the largest teaching union, will also be asked to take limited forms of industrial action from the start of the term, including: refusing to cover for absent colleagues, stopping lunchtime supervision and withdrawing from activities outside school hours.

The executive's proposals will go before the union's annual conference on April 21, when they are almost certain to be accepted.

The 235,000-strong union is describing the one-day strike as a national day of protest and is planning to hold marches and demonstrations. Extended strike action will be considered if there is no response from employers.

An all-out strike at a national, local or regional level would have to be endorsed in a secret workplace ballot.

The dispute's progress may depend, in part, on the outcome of elections for 37 of the union's 42 executive seats, to be announced at the annual conference. The Left, which now has fewer than 10 supporters on the executive, is hoping to improve its position.

The decision by the traditionally moderate NUT to support a one-day strike on a date yet to be announced comes a day after the even more moderate National Association of Schoolmasters/Union of Women Teachers backed a half-day strike set for Wednesday—the last day of term for most state schools.

Both unions stress that the action is designed to interfere as little as possible with public examinations.

The employers said yesterday that it was well known that the offer of 3 per cent was not "the final position" but was close to the point at which serious damage to the provision of services would be caused in many authorities.

Councillor Philip Merridale, chairman of the Burnham Primary and Secondary Committee management panel, said: "It is far better for the parties to face up to their responsibilities and struggle to find a solution by negotiation."

Heavy truck sales lead recovery

By Kenneth Gooding, Motor Industry Correspondent

'EAVY TRUCK sales led to ecovery in commercial vehicle narkets during the first quarter f 1984. Commercial vehicle egistrations improved by 6.7 er cent from 71,300 to 76,057, ompared with the same period ist year.

Sales of trucks over 3.5 tonnes ross weight recorded a 14.2 per ent advance, from 12,896 to 4,727.

According to the Society of 'lotor Manufacturers and raders, only two commercial ehicle sectors experienced setacks in the first quarter—light our-wheel drives, and buses nd coaches.

Registrations of light fourheel-drive vehicles dropped by 2 per cent from 3,376 to 3,293. 1 this sector, BL's Land Rover ibsidiary suffered a severe ecline with its first quarter egistrations falling by nearly 17 er cent from 2,021 to 1,684.

Bus and coach registrations ill by 7.7 per cent from 1,179 1,088.

Of the other sectors, light van ales rose by 4.2 per cent in the rst quarter from 23,828 to ,840 while medium and heavy an sales were up by 6.9 per ent from 30,021 to 32,107.

Crude steel output rises by 9%

BY LYNTON McLAIN

CRUDE STEEL production in the UK rose by 9 per cent last year, but UK steel consumption fell by 6 per cent. This was despite a modest rise in consumption in the last three months of the year.

The rise in steel production was equivalent to an increase of about 1m tonnes in finished steel products.

Most of the increased production was exported, but some was absorbed by the turnround in producers' stocks. Some replaced imports of semi-finished steel including ingots, where the level of imports fell substantially in 1983, according to the Trade and Industry Department's British Business Journal.

The fall in consumption covered most types of steel products last year, but there was a modest increase in consumption of sheet steel. This reflected a rise in production of motor vehicles and electrical appliances.

UK steel producers delivered 8.78m tonnes of finished steel products last year, compared with 8.85m tonnes in 1982 and 9.2m tonnes in 1981.

Consumption of finished steel products during the three years fell from 12.44m tonnes in 1981 to 12.3m tonnes in 1982 and 11.59m tonnes last year.

Imports of finished steel products were 3.87m tonnes last year, down from 3.2m tonnes in 1982 and compared with 2.74m tonnes in 1981.

The fall in steel consumption was reflected in these lower imports and higher exports by non-producers.

Stocks at the end of last year were 5 per cent lower than at the end of 1982 and represented just over four months' consumption. Consumers stocks fell 13 per cent, stockholders' by 5 per cent and producers increased stocks by 5 per cent, over the period.

Hauliers protest about French fines

BY JAMES McDONALD

THE British Freight Transport Association, representing 14,000 companies, has asked the Transport Department to take up with France its concern over the rising number of French customs fines on British freight vehicles. The association says the fines appear to bear no relationship to the severity of the offences.

It has asked the department to raise the issue at the annual meeting in France in September of the joint committee on road haulage. The meeting is attended by government and industry representatives.

The association says it has had about 12 complaints from members of over-zealous French customs activities over vehicle documentation. Spot fines of up to £200 have been levied.

"In no case can we say the French authorities were not entitled to take the action they did," the association said yesterday. The fines and delays were caused by errors or omissions in transit documents which facilitate movement of goods within the European Community and Austria and Switzerland.

In the past minor omissions in documentation are said to have been overlooked by French customs, with perhaps a bottle of Scotch changing hands. French officials are now stricter and following the rule book.

Hope for talks on BBC dispute

BY DAVID GOODHART, LABOUR STAFF

HOPES of talks to find a resolution to the BBC scene shifters' dispute rose a little last night. Mr Bill Cotton, managing-director of BBC TV, said he was encouraged by reports that the Entertainment Trades Alliance was prepared to negotiate and hoped that talks could be arranged for early next week.

But despite Mr Cotton's comments, there was no evidence of a substantive move by either side in the seven-week dispute and union leaders drew up contingency plans for further action to hit transmissions.

The ETA was pleased with the support for the 595 sacked scene-shifters shown by other grades—including technicians and cameramen—called out on Thursday. But although the one-day closure of BBC 1 has increased the pressure on management, the union is not expected to hit programmes again this weekend. It does not want to draw too heavily on the goodwill of other ETA members in what could be a long dispute. That does not, however, rule out further action early next week if there are no serious negotiations.

The BBC yesterday repeated that it would go to arbitration "on certain parts" of its plan to reorganise the scenery department—which should cut costs by £1.5m a year and mean 150 fewer jobs.

However, negotiations at the government conciliation service, Acas, did not produce any agreement two weeks ago. On that occasion, Mr Tony Hearn, joint general secretary of ETA, said the BBC had offered to go to arbitration on only marginal issues.

The key union anxieties centre around the increased flexibility of working patterns, the greater flexibility in working hours, the fall-off in overtime payments only partly offset by a rise in basic rates, and imposition of the whole package.

ACTT watches struggle

BY OUR LABOUR STAFF

THE ETA dispute at the BBC is being watched closely by officials of the film and television technicians' union, ACTT.

The centre-piece debate at ACTT's conference next week is likely to be about the advisability of a merger with ETA, itself formed from a merger of the Association of Broadcasting Staffs and the National Association of Theatrical, Television and Kine Employees.

One motion from BBC Ealing "instructs the General Council to vigorously pursue the ACTT's policy of achieving a single union for the whole entertainment industry." But one from the Television Branch committee, dominated by ITV full-time staff, says: "This annual conference is totally opposed to amalgamation with the newly-amalgamated ETA."

There will be important debates on organising in cable-TV companies and on a quota of imports for cable channels.

EEC lags in marketing technology

A WARNING that Europe is falling behind in the developing markets in information technology has been given by Mr Kenneth Baker, the Information Technology Minister.

Mr Baker was replying to points made by Mr Tam Dalyell, Labour MP for Linlithgow, about Esprit, the European programme for research and development in information technology.

Mr Baker said his department did not provide forecasts of the Common Market's trading performance in information technology. He was unable to back up Common Market Commission statistics showing that the EEC was already in deficit in this field.

There was substantial evidence, however, that Europe was failing to hold its own in world markets. The whole market for information technology was growing very rapidly and the key issue was the extent to which European firms could exploit it and penetrate markets elsewhere.

David Hellier writes: Datasolve, a Thorn EMI-owned computer bureau and service company, has launched an electronic information service for companies with international trading interests.

World Exporter, a combination of two existing services, has been designed to provide exporters with instant leads to contracts around the world. For an annual subscription of £3,600, the service gives unlimited access to data on development projects, national economic plans and feasibility study contracts.

The information is provided by a company called IGA and is linked to the BBC/Datasolve's World Reporter electronic library.

Court test of police action urged

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE LEGALITY of recent police action against flying pickets should be tested in the courts, according to a leading legal journal.

The New Law Journal says there is no doubt that stopping flying pickets a long way from the scene of any potential breach of the peace breaks new ground.

The Attorney General's statement supporting the police action must be regarded, in the light of legal authorities, as representing a somewhat optimistic view of what the courts might hold.

The Journal notes that the police have been attacked for already exercising powers to set up road blocks not yet conferred by the Police and Criminal Evidence Bill.

The irony is that the powers proposed in the Bill would almost certainly not assist the police. "If anything they would expose the tenuous claim to legality of the present operations."

The Journal asks how far the police response to the mining dispute is a natural and justified reaction to an extraordinary situation, and how far it should be seen as an unprecedented threat to civil liberties.

The law, it says, gives little help. The police are in a delicate position; they cannot claim to be acting in defence of the rule of law, for the law does not guide them to a clear conclusion.

Testing the matter in the courts might set new limits and offer new guidelines more appropriate to the challenge offered by flying pickets.

The Journal adds: "One of the more disquieting aspects of police action has been the number of pickets arrested and not then charged with offences —a practice stemming more from a desire to avoid court proceedings than to spare the pickets the unpleasantness of an appearance before the magistrates."

Independent travel agents under siege

Arthur Sandles on the retail chains' stampede for growth

HE BRITISH independent 'avel agent may be going the ume way as the family shoe 10p and grocery store.

The market share of four big etail travel chains has risen 'om less than 10 per cent to tore than 25 per cent in three ears and in the past six months 1e race for growth has become stampede.

In that time Hogg Robinson, 1e insurance group, has ought 93 Wakefield Fortune gencies from Holland America ine and Lunn Poly has leapt 'om 60 to 200 branches with 1e purchase of Renwicks and llerman.

Pickfords passed 200 last ear and is aiming for 400, a gure which Thomas Cook plans reach first through its £6m gency investment scheme.

The four are turning to development — crushing the competition rather than buying it. "We will be looking to get 30 new shops a year for the next three years," says Mr Keith Webber, Pickford's marketing director. "We will be biased towards new shops rather than acquisition, new precincts for example."

Mr Luke Mayhew, Thomas Cook's development director, also believes that the days of substantial acquisition of small retailers are over. "We have gone for prime high street sites. We are not seeking to expand by acquisition as this so often causes overlap."

The big chains have found that too much acquisition leads to greater management difficulties than prime site development.

Lunn Poly's Mr Roger Peverett says: "We believe that to get to the size that we are now (about 200 branches), we had to do it by acquisition. Now we will be expanding more slowly, with more green field starts and some acquisition when it seems right."

Lunn Poly is pausing for a period of consolidation after its great leap, giving time for the Renwicks chain, in the South-West, and Ellerman, largely in Scotland, to be absorbed and the names changed. But, like its rivals, it talks of expansion being driven by a need for the fruits of large-scale operation.

"If you want to optimise television advertising, for example, you need around 400 outlets," Pickfords says. "We have 22 branches in the West Midlands, but there are still many people who are more than five to seven miles away from one of our branches. Our research shows that people will not go very far to visit an agency."

The big chains will need all the cash flow they can get to pay for their expansion. Cooks talks in terms of an average of £60,000 for a new branch, and the four leaders, plus one or two aspiring rivals could between them add nearly 1,000 such operations to Britain's high streets over the next five years.

That growth will give them increasing power over tour operators and airlines.

Some years ago Mr Gerry Draper, then a director of British Airways, predicted that the spread of retail chains would take much of the new product initiative out of the hands of the principals and, just as in the grocery field, give the power to the retailers.

"It is beginning to happen," says Pickfords. Mr Peverett adds: "A few years ago no one was big enough to have any clout. This year I have had several conversations with principals about their proposed programmes."

Pay talks open for Liverpool dockers

NEGOTIATIONS opened yesterday between the Port of Liverpool employers and the Transport and General Workers Union on a pay deal for registered dockers due to come into operation on May 1.

The deal is expected to be fixed within the rate of inflation. The employers are again seeking an agreement covering two years and the union wants fringe benefits.

A two-year deal would ensure continuity of the stability achieved by the original deal covering 1982-83. The number of man-days lost through industrial action last year was under 200.

Cowley workers reject shift system change

WORKERS at BL's Cowley press shop do not want to be the first production workers to adopt three-shift working at Austin Rover factories.

They rejected the company's proposal by a majority of 25-1 yesterday. More than 250 voted against plans explained earlier by Mr Dennis Savage, manufacturing manager at the Cowley car body plant.

The men said afterwards they were warned that the extra work the company wanted to bring to the factory would be taken elsewhere if the new work pattern was not adopted. They were also warned that the nightshift might be ended if they did not agree to three rotating shifts.

At present the men do either day or night shifts and work only four nights. The new scheme would involve five-night shifts and a return to Friday-night working, abandoned 18 years ago.

Austin Rover has the capacity to make 750,000 cars a year on a two-shift system, Mr Harold Musgrove, company chairman, has said.

F.T.-ACTUARIES SHARE INDICES
QUARTERLY VALUATION

The market capitalisations of the groups and sub-sections of the FT-.ctuaries indices as at March 30, 1984 are expressed below in millions f pounds and as a percentage of the All-Share Index. Similar figures are lso provided for December 30, 1983 both before and after the 1983 year-end 'hanges.

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses denote number of stocks)		Market capitalisation as at Mar. 30, 1984 (£m.)	% of all share index	Market capitalisation as at Dec. 30, 1983 (£m.)	% of all share index †	Market capitalisation as at Dec. 30, 1983 (£m.)	% of all share index
CAPITAL GOODS GROUP	(202)	32,113.0	19.95	28,785.3	19.88	28,516.8	19.69
Building Materials	(24)	4,967.4	3.09	4,458.9	3.08	4,449.3	3.07
Contracting, Construction	(33)	2,488.0	1.55	2,155.0	1.49	2,103.0	1.45
Electricals	(14)	1,346.3	0.84	1,347.5	0.92	11,946.6	8.25
Electronics	(32)	12,057.5	7.49	10,980.6	7.57	574.2	0.40
Mechanical Engineering	(62)	4,770.5	2.96	4,174.7	2.88	3,889.2	2.69
Metals and Metal Forming	(9)	1,311.6	0.81	1,135.2	0.78	1,136.2	0.78
Motors	(17)	1,008.9	0.63	880.6	0.61	880.6	0.61
Other Industrial Materials	(17)	4,161.8	2.58	3,642.6	2.51	3,530.2	2.44
CONSUMER GROUP	(195)	52,622.6	32.68	46,070.0	31.77	46,089.9	31.82
Brewers and Distillers	(23)	7,847.2	4.87	6,569.2	4.53	6,526.6	4.50
Food Manufacturing	(22)	6,688.2	4.16	6,247.7	4.31	6,247.7	4.31
Food Retailing	(12)	5,039.8	3.13	4,353.3	3.00	4,353.3	3.01
Health and Household Products	(9)	7,142.4	4.44	6,394.6	4.41	6,394.6	4.42
Leisure	(22)	3,801.6	2.36	3,455.1	2.39	3,455.1	2.39
Newspapers, Publishing	(14)	1,005.6	0.64	869.5	0.60	859.5	0.59
Packaging and Paper	(15)	2,004.6	1.25	1,610.3	1.11	1,610.3	1.11
Stores	(47)	12,450.6	7.73	10,988.0	7.58	10,898.0	7.53
Textiles	(20)	1,890.7	1.17	1,541.8	1.06	1,554.7	1.07
Tobaccos	(6)	4,480.1	2.78	3,809.3	2.63	3,808.9	2.65
Other Consumer	(6)	251.0	0.16	234.4	0.16	234.4	0.16
OTHER GROUPS	(87)	15,857.0	9.84	14,479.8	9.98	14,540.2	10.04
Chemicals	(17)	6,978.5	4.33	6,216.0	4.29	6,216.0	4.29
Office Equipment	(4)	704.1	0.44	656.8	0.45	656.8	0.45
Shipping and Transport	(13)	1,603.9	1.00	1,462.0	1.01	1,462.0	1.01
Miscellaneous	(51)	7,450.5	4.63	6,245.0	4.31	6,245.0	4.31
INDUSTRIAL GROUP	(484)	100,572.9	62.47	89,335.1	61.60	89,158.7	61.55
Oils	(16)	19,529.8	12.13	17,109.7	11.80	17,109.7	11.81
500 SHARE INDEX		120,102.6	74.60	106,444.8	73.40	106,246.4	73.36
FINANCIAL GROUP	(120)	26,488.4	16.45	25,520.8	17.67	25,520.8	17.59
Banks	(6)	6,197.6	3.85	5,809.7	4.01	5,809.7	4.01
Discount Houses	(8)	269.1	0.17	242.2	0.17	242.2	0.17
Insurance (Life)	(9)	3,719.7	2.31	3,863.4	2.66	3,863.4	2.67
Insurance (Composite)	(9)	5,000.1	3.11	5,186.7	3.58	5,186.7	3.58
Insurance Brokers	(8)	1,275.6	0.79	1,152.7	0.80	1,152.7	0.80
Merchant Banks	(12)	1,720.6	1.07	1,670.0	1.15	1,670.0	1.15
Property	(40)	5,870.6	3.64	5,420.1	3.74	5,430.1	3.75
Other Financial	(18)	2,429.1	1.51	2,255.0	1.56	2,255.0	1.56
Investment Trusts	(106)	9,075.7	5.64	8,482.8	5.85	8,482.8	5.86
Mining Finance	(4)	3,580.1	2.22	3,018.9	2.08	3,018.9	2.08
Overseas Traders	(16)	1,760.4	1.09	1,469.4	1.01	1,469.4	1.01
ALL-SHARE INDEX	(746)	160,999.2	100.0	145,020.7	100.0	144,834.3	100.0

† After year-end changes.

APPOINTMENTS

Changes at Imperial Brewing & Leisure

Mr C. E. Montagnon becomes finance director of IMPERIAL LEISURE AND RETAILING. He was formerly finance director, Imperial Inns and Taverns. Mr M. W. Pemberton is appointed personnel and administration director. He was formerly personnel director, Imperial Inns and Taverns. Mr J. N. Shaw, currently a member of the board, is made property director in addition to his responsibilities as director of property development of Imperial Brewing and Leisure. Mr M. B. Bunting has retired from the boards of both Courage and Imperial Leisure and Retailing while remaining as a non-executive director of Imperial Brewing and Leisure.

*

Mr R. N. McAuslan (on May 22) and Mr R. S. Uffindell (on June 30) retire from the board of CROWN HOUSE. At Dema Glass on June 14, Mr M. J. W. Sergent becomes chairman in succession to Mr E. A. Stott who retires. Mr Sergent will continue as managing director. On the same date, Mr A. M. Miles is appointed to the board, and Mr Uffindell resigns. At Crown House Engineering, and Crown House Engineering International on May 16, Mr G. R. Parker becomes chairman in succession to Mr McAuslan.

*

Mr William Mackridge has been elected president of the BUILDERS BENEVOLENT INSTITUTION. He is chairman of W. M. Glendinning.

*

GRATTAN has appointed Mr Robert R. Amos as a non-executive director. He is a non-executive regional director of Lloyds Bank, and is a former deputy chief general manager of the bank and a chairman of Access.

*

Mr D. L. Fox, who joined the board when WATTS BLAKE BEARNE & CO amalgamated with Candy & Co has resigned after serving for over 20 years. Sir Ian Heathcoat Amory has been appointed in his place. Sir Ian is a director of John Heathcoat & Co, Loman Manufacturing Company 1984, Medland Sanders and Twose, Stenner of Tiverton, and Devon Radio.

*

The LONDON MEAT FUTURES EXCHANGE Committee of Management has elected Mr M. Robinson of Bowyers (Wiltshire) as vice-chairman.

*

Mr Tony Lorenz, managing director of Equity Capital for Industry, and Mr Ronald Cohen, managing director of Alan Patricof Associates, have been appointed chairman and vice-chairman respectively of the BRITISH VENTURE CAPITAL ASSOCIATION.

*

Mr H. J. Arbuthnott has been appointed a director of SCOTTISH OFFSHORE INVESTORS.

*

Mr Tony McBurnie will be the director general of the INSTITUTE OF MARKETING following the retirement of Mr Peter Blood. Mr McBurnie will take up this post full-time in July when he has cleared his current commitments with United Glass Holdings where he is managing director of the packaging, tableware and distribution group of companies.

*

Mr John D. White, accounting manager (exploration companies) at BRITISH GAS, has been appointed chief accountant (exploration companies) to lead a new department in the finance division.

*

INDUSTRIAL SCOTLAND ENERGY, a Scottish oil and gas exploration and production company, has appointed Dr Malcolm Butler as general manager. He was previously an independent consulting geologist in Houston, Texas, and represents ISE in the U.S.

*

After five years as managing director of BRITISH OLIVETTI, Mr Keith Walkerden returns to Australia to supervise Olivetti's companies in the Far East and South Africa. Mr Vincenzo Mancuso, who was in charge of seven Olivetti companies in Europe and Canada, has succeeded Mr Walkerden.

*

Mr Peter Cheeseman, currently managing director of Butterworth (Services) and a member of the Butterworth Group board, is to join the board of BUSINESS PRESS INTERNATIONAL as commercial director. He will be responsible for finance and accounts and central marketing and development.

*

Senior post at CBI

Mr David Wigglesworth has been appointed chairman of the CONFEDERATION OF BRITISH INDUSTRY'S economic situation committee, which produces a regular economic situation report on British industry and oversees the monthly survey of manufacturing trends. He succeeds Sir James Cleminson who is expected to be elected president of the CBI following the retirement of Sir Campbell Fraser at the annual meeting in May. Mr Wigglesworth is group chief executive of Bemrose Corporation.

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Running out of optimism

LONDON

ONLOOKER

Equities are drifting slowly downwards and at the moment it is hard to envisage any good news that could come along to rekindle the enthusiasm of investors. Not so hard, however, is the task of picking potential bear points such as the miners' strike which could have an impact a long way outside the pits themselves.

Institutions are becoming increasingly nervous about the London market. There is more than a passing suspicion that prices have passed the peak, leastways in the medium term, and London is not such an attractive home for money which is chasing capital appreciation. Throgmorton Street has had a good run in the first quarter of 1984 and anyone looking to be in the forefront of the performance charts is probably scanning more distant horizons. A few fund managers must be wondering whether Wall Street is getting ready to bounce up again. The old maxim of "sell in May" could be applied a month earlier this year.

Also it looks as if new issues could soak up an increasing proportion of the cash becoming available for equity investment. Last week brought a couple of major rights issues while the past few days have been dotted with cash calls, albeit of a more modest size. And of course the market is already thinking in terms of needing to absorb Reuters, Enterprise Oil, Jaguar, British Telecom and even the Mirror Group at some point. With that lot in prospect, investors are understandably cautious about committing fresh funds to chasing existing equities.

The disillusionment with shares is evident in the recent interest in index-linked gilts. Equities could be hard pushed to reproduce the kind of real returns available in that sector and inevitably there was a faint touch of the herd instinct in this week's gilt buying. It is hard to shift the belief that, for the next few months at least, the best of the equity market has come and gone.

Next, please

Hard on the heels of its successful bid for London Brick, Hanson Trust is already setting its sights on its next acquisition target. But this time the Hanson men are courting their prospective acquisition with bunches of flowers rather than their more usual Stone Age approach complete with club.

Through its U.S. subsidiary, Hanson has made an approach to U.S. Industries, a diverse holding company, declaring its willingness to make a bid worth well over $400m (£279m). Evidently Sir Gordon White, Hanson's commander in the States, had been watching U.S. Industries for a couple of years but the catalyst for this week's move was the news that U.S. Industries' management was offering a $20 a share leveraged buy-out, valuing the group at $407m. Hanson is prepared to top those terms.

Hanson has written to the two independent directors of the American group to point out how similar their operation is to Hanson. The independents, and their advisers Goldman Sachs, are apparently receptive to Hanson's overtures. They have, of course, their duty to outside shareholders and it is a fair guess that the incumbents, who are behind the management buy-out, are not going to let Hanson steal the company away from them with an offer only slightly higher than their own.

Whilst its strategies are certainly not set in stone, Hanson has tended to follow the rule of a roughly equal geographical split between the U.S. and the UK. In the year to last September, for example, its U.S. profits amounted to £54.6m while the UK turned in £48.6m. The London Brick purchase is forecast to bring in £36m of profits for calendar 1984, before financing costs, so logically Hanson is scanning the other side of the Atlantic for its next major deal. The last time it bought anything significant in the U.S. was when it absorbed McDonough Corporation in 1981 for $180m.

U.S. Industries also displays similarities to other Hanson purchases of the past. It has already undergone a fairly hefty reorganisation in recent years and is probably now on the point of reaping the fruits of its efforts. Its concentration on manufacturing industrial products, building materials, equipment for the motor industry, lighting fixtures, furnishing and clothing would suit the Hanson portfolio.

Also U.S. Industries is just about the right sized bite. Hanson paid £260m for UDS last April and around £200m recently for London Brick bearing in mind that it already had a 9.6 per cent stake in the British brick maker. Asset disposals at UDS have released £150m, so Hanson still has around £200m sitting in its bank balance.

A work of art

After two years of decline from a peak profit of over £7m in 1980, the fine art auction house Christies International has come back with a vigorous recovery. Pre-tax profits for 1983 more than trebled to £9.75m and after three years of dividend stagnation the full year's payout is lifted by a fifth to 8.5p a share.

The whole fine art market has been enjoying an exceptionally buoyant phase, much to the pleasure of the auctioneers, but Christies' achievement owes somehting to an improved market share as well. Sotheby

Quite apart from the string of headline catching record auction prices and grand house clearance sales, 1983 was characterised by a steady build up in the supply of good, modestly priced pieces partly fulfilling an even greater build up in demand. The bread and butter end of the antiques trade may not be as glamorous as the Chatsworth Old Masters sale, but it is no less important in helping Christies scale its new heights.

The extent of the underlying improvement in business is evident in the split between the two half-years. Auction sales in the traditionally weaker second half amounted to £142m—£23m more than that achieved in the opening six months.

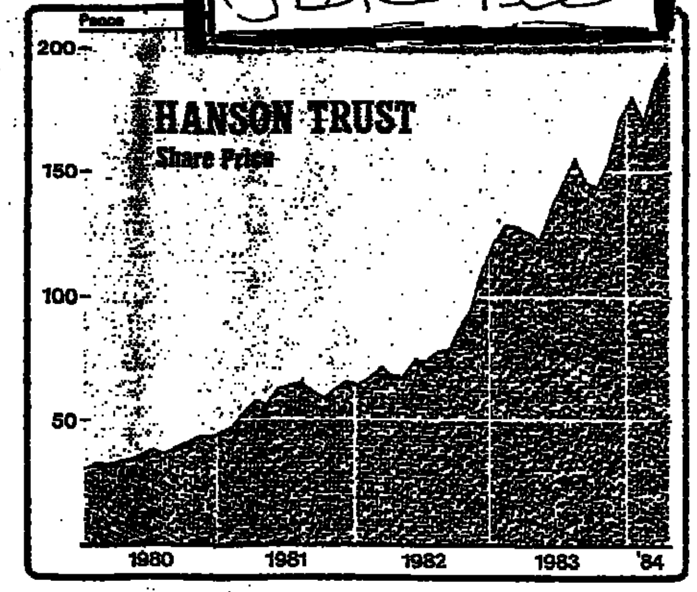
And for the coming year there seems to be little indication that the fine art market is running out of steam. True, the major sales season is yet to get under way but evidence from both sides of the Atlantic suggests that demand and supply show little desire to slow down. The shares have had a tremendous run, doubling since the end of 1982, but this lonely representative of the fine art world on the London stock market is not short of admirers yet.

Buying a bank

Rare indeed is the corporate deal which does not leave the City thinking that one party has been short-changed somewhere along the line. Yet Britannia Arrow's purchase of an 87.5 per cent stake in the merchant bank Singer and Friedlander from European Ferries for £52m is seen as perfectly fair all round.

A couple of weeks ago it looked virtually certain that the two companies would reach agreement over Singer, but not until this week did the market see the terms. Even the merchant banks' existing management seems to emerge better off, with an increased stake in the bank of 12.5 per cent against 7.5 per cent under European Ferries' ownership.

European Ferries put its banking division up for sale last November when the temperature in London was rapidly climbing as the City's financial sector embarked upon a wave of change.



Several U.S. banks were said to be interested in acquiring Singer but its management, not surprisingly, favoured continued British ownership which should ensure that its place among the slim band of accepting houses is retained.

The price values the whole of the bank at £56.2m, in line with its net asset value including previously hidden reserves, and gives European Ferries a useful capital injection to tackle the requirements of its mainstream activities — shipping, harbour and property.

Singer may not have commanded a premium to its net worth but EF has made a very healthy return on its original investment of £25.25m, the price it paid to C. T. Bowring for control of Singer in 1980.

As for Britannia it can probably look forward to an extra £2m at the profit line if Singer can maintain its good performance. And it adds another dimension to Britannia's existing activities, one which is not so dependent on a bull market to keep the profits line rolling forward. The joining of Britannia Arrow to Singer and Friedlander may not present the mushrooming possibilities of the RIT/Charterhouse marriage but the new couple should be able to get along well enough in the future.

Docking £14.5m

Associated British Ports this week unveiled its first set of full year figures since being privatised 14 months ago. For 1983 pre-tax profits soared by £9m to £14.5m and the dividend was 1½p better than had been forecast with a 8.5p payout. Yet the results were no more than the market had long been expecting and the share price stepped back 17p from its high to close at 278p on the day of the news.

Still, that minor setback can be dismissed given the way that ABP has performed since its shares were quoted. When the Government privatised the 19 ports that go to make up ABP it made a fixed priced offer at 112p. With hindsight that pricing was clearly too low. After all, the group was coming along at a low point in its profits cycle after the damaging strike of 1982 and the future looked bright, especially as the Government had set it free from its burden of debt.

But understandably the authorities wanted to avoid a rerun of the Britoil tender offer which was boycotted by investors a few months earlier, while being equally keen to sidestep the trap of an unseemly rush of the sort that greeted the Amersham issue. The £740m of cheques that welcomed £22m of shares on offer, however, left little doubt that final pricing had been over cautious.

The shares have not really looked back since dealings started. And despite losing a few pence on Thursday the future still looks solid. Port activity gives a direct measure of trade which should continue to improve throughout this year. The only immediate cloud in ABP's sky is the miners' strike, the effects of which are already being felt as coal exports fall. The eventual impact of that conflict on this year's profits cannot even be guessed at today. The market, however, appears sanguine, and why not given the general economic upturn and the long stop of a 9 per cent yield?

Glynwed's recovery

The harbour masters are not the only ones watching Mr Scargill. The directors of Glynwed International, which has just reported a major profits recovery for 1983, are among the vast band of industrialists crossing their fingers and hoping the miners' dispute will be settled before it makes a hole in their profit projections.

The group turned in pre-tax profits of £21.2m last year against £13.7m in 1982 with all the improvement coming from its UK operations thanks to the virtual elimination of its domestic loss makers. In the U.S. Glynwed's experience has been less happy with a modest improvement in its plastics company swamped by £1½m of losses at Breman Steel. Demand for structural steel fell away and the subsequent price cutting left margins in tatters.

Yet Breman has already crept back into break-even and in 1984 there could be an aggregate U.S. profit of £2m or so against a £½m loss. Redundancy costs during this year could be £2m lower and if the UK steel business can build on last year's £2.2m profits advance to £7½m and make £9½m this year, Glynwed International is on its way to £27m pre-tax.

Terry Garrett

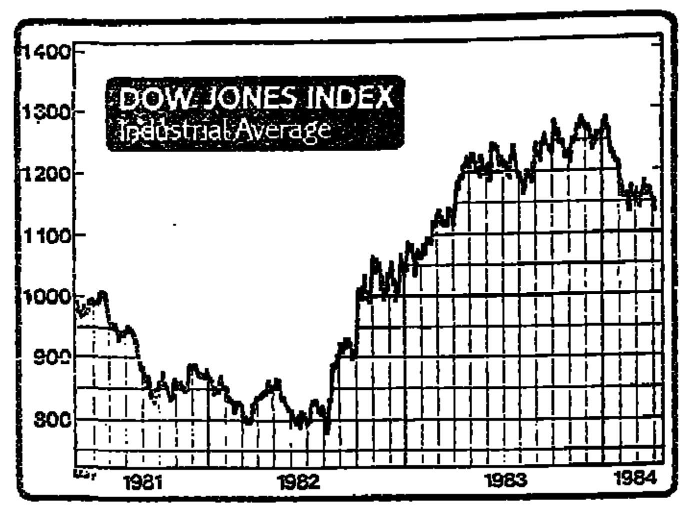
MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1983/4 High	1983/4 Low	
F.T. Ind. Ord. Index	865.4	−11.6	901.4	598.4	Post-budget optimism fades
Treas. 2% Index-Linked 1996	105½	+ 1½	111¾	99¾	Inflation hedging
Aran Energy	50	−10	83	6	Weak Irish oils
Assoc. British Ports	276	−19	298	129	Results/coal exports warning
Atlantic Resources	58	−26	159	7	Irish dry well rumours
Bowater	310	−13	333	141	Pft-tkg. after recent strength
Bunzl	493	+51	495	217	Results and 100 per cent scrip issue
D.J. Security Alarms	100	−27	133	75	Bid talks terminated
Lec Refrigeration	378	+28	378	195	Awaiting results
Micro Business Systems	475	+10	495	98	Press recommendation
Rotaflex	109	+15	118	40	Good preliminary figures
Santos	458	−18	518	244	A$153m. rights issue
Saxon Oil	338	+46	345	54½	N. Sea exploration hopes
Scottish TV A	176	+16	178	94	Impressive preliminary figures
Spirax-Sarco	188	+12	218	152	Good annual results
Tarmac	480	−26	506	390	Building sector/VAT worries
UEI	184	+11	343	138	Investment seminar
Waddington (J.)	388	+18	388	68	Speculation demand
Weber Hldgs.	£10½	+ 3¾	£12	495	Planned bid from Wellington
Whatlings	74	−10	92	35	Rights issue proposal

Why the brainstorm?

NEW YORK

TERRY DODSWORTH



WALL STREET dealers had probably half packed their bags, placed their heard-on-the-street share tips, and were ready to head for home, when the equity market had one of its sudden brainstorms on Thursday night.

The first five-and-ahalf hours had given no hint of the carnage to come. The Dow Jones Industrial Average had drifted down steadily following the trend of previous five trading sessions, as investors absorbed the implications of higher interest rates.

Then suddenly, in the last half hour, the sell orders flooded in. There was hardly a buyer in sight and the index plunged to a new 12 month low.

By the end of trading, the Dow was back to the level of virtually a year ago, and had convincingly dropped through the February bottom of 1,134.21. Analysts take this as a sign that it could easily go still further.

Since the index was knocked off its pinnacle in early January, the 1,140 level has become a widely watched support zone. When it reached this point on Thursday, it triggered a flood of sell orders, opening the way down into the chasm.

Not every market commentator, however, believes that all is yet lost. Michael Metz of Oppenheimer, for example, while conceding that there is plenty of scope for a further slide, sees at least one bullish sign in the spate of mergers and takeovers in the oil industry.

The main challenge to a sustained recovery for equities continues to come, as it has for the last three months, from the credit markets.

Part of the problem on Thursday was the announcement of the additional half a percentage point increase in the prime rate charged by the Big U.S. banks, taking it up by a full point in a fortnight.

By then, rates in the money market had already risen enough to put a renewed squeeze on the banks, and federal funds had crept up to around 11 per cent, reinforcing suspicions that the Fed had already tightened.

A further warning for equity investors also emerged this week in the shape of suggestions that the growth in car sales and air traffic could be topping out. The statistics are so far meagre, but if these markets are beginning to slacken it will knock away at least part of the prop that recovering profits have held under equities.

Chrysler, in particular, was clearly affected by these fears. Its meagre 8 per cent year-on-year car sales growth in March immediately had the shares, still regarded as relatively speculative—dropping all over the place (almost 2m shares changed hands, leaving the price $2¼ down at $22 on Thursday).

Meanwhile, one of the big events of the week came when one of Wall Street's old money spinning favourites indicated that it might be putting itself back on a more buoyant profits path. RCA, which used to be known simply as "Radio" in its days of glory, came out of purdah to hold its first analysts' meeting in seven years, throwing in a $175m pre-tax write off for the closure of its video disc project just to show it was serious.

The shares, now trading at around $33½, have come up a long way since their low of just under $20 last year.

On the takeover front, the week has yielded a surprise—the bid for the up-market Carter Hawley Hayes clothes retailing group from Ohio's The Limited company and further moves in Royal Dutch/Shell's increasingly acrimonious struggle for the minority 30 per cent in Shell Oil, its U.S. affiliate.

The Limited's emergence from relative obscurity in Columbus to make the bid has pumped up Carter's share price by $5 to around $29, but it seems to have left the victim's management speechless: The Limited is complaining that Carter has so far blankly refused to talk to it.

In the courts, however, the Los Angeles-based Carter has been showing its teeth, filing suit to prevent the acquisition of more shares.

At Shell, Royal Dutch had second thoughts over the weekend and decided to increase its tender offer for its affiliate from $55 to $58 a share after insisting earlier that it believed the initial price was a fair offer.

The revised bid, which closes on May 9, is still $17 short of the figure that the independent Shell Oil directors say the company is worth, but Royal Dutch, with 70 per cent of the U.S. company already in its hands, seems to think it can afford to wait.

Many analysts agree, but are still dubious about a strategy which has brought the two companies into such an unpleasant clash.

In spite of the doubts, however, the Anglo-Dutch group still remains on many Wall Street buy lists, with Merrill Lynch, for example, forecasting a rise in earnings per share from $9.59 to $9.70 this year and projecting a compound dividend growth over the next five years of 11 per cent.

MONDAY	1153.16	−11.73
TUESDAY	1148.76	−4.40
WEDNESDAY	1148.56	−0.20
THURSDAY	1130.55	−18.01

YOUR SAVINGS AND INVESTMENTS—1

Annuities—take your time

ERIC SHORT reports on what this period of stability means for investors

ANNUITY RATES have held up remarkably well for the past six months, in spite of pressures on short term interest rates. The Money Management uprating service which monitors annuity rates weekly reports a remarkable consistency in the top life company rates for several weeks now.

The reason for this consistency is not difficult to find. Life company actuaries based their annuity rate calculations on yields on seven- to ten-year gilt-edged stocks. And yield patterns beyond seven years have been stable since the autumn of last year.

The present yield on stocks in this maturity range is around 10½ per cent and this figure has not varied by more than 40p since the autumn. This is in contrast to the pattern of shorter term yields which have fallen by more than a full percentage point over the corresponding period.

In theory the good prospects for continuing low inflation rates should bring pressure on all interest rates to come down, not just the short term rates. A 10½ per cent yield looks extremely high against a 5.1 per cent inflation rate.

But Stephen Lewis of stockbrokers Phillips and Drew expects *this stability* in medium term gilt yields to continue for another six months.

For offsetting this pressure on rates to come down is a corresponding upward pressure because of the rise in U.S. interest rates and the Government's own funding policy. Over the past year it has consistently financed itself by issuing shorter dated gilts, issuing only one long stock.

The market is not reacting to the current miners' dispute. On previous occassions in the 1970s the market automatically lowered gilt prices, and thus lifted rates, whenever there was major industrial trouble, simply as a defensive measure.

At present, the market feels that the Government will win the present confrontation and *has not reacted in any way.*

So investors considering taking out annuity contracts have the luxury of being able to take their time in making up their minds. The self-employed considering their retirement can afford to wait before drawing their pension.

When annuity rates are stable, delay means ultimately higher annuity values, because rates rise with age. Thus, for the self-employed, delay that means the value of their pension contract will continue to rise.

But as always, investors need to watch the market for signs of a change.

However, as far as Guaranteed Income Bonds are concerned the market is in a state of flux. The recent drop in short term rates has meant that life companies in this field have been unable to hold their rates.

Offers have been withdrawn as soon as the allotted quotas have been reached. A review of the contracts now in the market needs to await a week or so while companies re-assess the situation and launch their new contracts.

BEST ANNUITY RATES INVESTMENT OF £10,000
ANNUITY PAYMENTS MADE IN HALF-YEARLY INSTALMENTS

Man aged 65 Company	Annuity £	Man aged 70 Company	Annuity £
RNPFN	1,572	RNPFN	1,791
Generali	1,564	Generali	1,767
Abbey Life	1,559	Abbey Life	1,742
London Life	1,547	Royal Life	1,741
Equitable Life	1,537	Life Assoc. of Scotland	1,739
Standard Life	1,536	London Life	1,735
Scottish Amicable	1,533	Equitable Life	1,730
Woman aged 60		Woman aged 70	
Generali	1,334	RNPFN	1,590
Standard Life	1,324	Generali	1,576
Providence Capitol	1,313	Standard Life	1,546
Equitable Life	1,307	Abbey Life	1,545
RNPFN	1,306	Providence Capitol	1,541
Life Assoc. of Scotland	1,300	Equitable Life	1,534
Norwich Union	1,298	Royal Life	1,526

Source: Money Management 7 day Uprate
Source: Money Management 7-day Uprate

PENSIONS AND MORTGAGES

How to use a nest egg

Is it sensible to use a company pension scheme to pay off a mortgage? ERIC SHORT reports

THE CHANCELLOR'S withdrawal of Life Assurance Premium Relief (LAPR) has put a question mark over the use of endowment policies to repay a mortgage and highlighted the advantages of using a personal pension contract.

An article last week described the workings of the pension mortgage scheme, using the tax efficiency of pension contracts.

The main disadvantage of the scheme is that it is only available to the self-employed, and to employees not in a company pension scheme.

A question now being asked is whether employees in a company pension plan scheme can also use the benefits provided by the scheme to repay a mortgage. After all, the principles are similar in many respects.

As with self-employed plans, contributions made to a company pension scheme, including extra payments made under Additional Voluntary Contribution schemes, attract tax relief at the employee's top rate.

At retirement, the employee has the option to convert part of the pension for a tax-free lump sum—up to a maximum of 1½ times final salary provided the employee has completed 20 years' service.

In addition, most company pension schemes provide lump-sum, death-in-service benefits. The maximum provision is four times current salary, though the usual benefit level is twice current salary.

Thus most company pension schemes have an in-built life cover, a feature not available with personal pensions.

Although there are no schemes from building societies which are designed directly to mesh with company pension schemes in the same way as with personal pensions, employees have been able for some time to use their pension benefits for mortgage repayment.

Most building societies operate an interest-only mortgage scheme, in addition to the low cost and pension mortgage schemes. Under the interest-only arrangement the mortgage need not be repaid until the death of the borrower.

But this facility has been given very little prominence. It rates just one sentence in Abbey National's general handbook on mortgages.

Under interest-only schemes the borrower simply pays interest on his mortgage at the usual differential over interest charged on the repayment mortgages. This higher rate is the same as for low cost endowment and pension mortgages. The borrower can repay at any time, but the society will want to be satisfied that the borrower can expect to gain access to capital at some time in the future.

The only security required is the house itself, but the mortgage limit is far lower than with other schemes—something around two-thirds the value of the house.

This is the main drawback to interest-only schemes. Societies will usually keep a periodic check on the value of the house and on the financial status of the borrower.

So providing the employee does not want an 85 per cent mortgage, there is no reason why he cannot repay his mortgage in a tax efficient manner by using his company pension benefits in the same manner as the self-employed.

Indeed, the interest-only mortgage has the immediate benefit of keeping outgo to a minimum—the employee has to pay his pension contributions come what may.

So the inter-only scheme will be useful to those employees in their late forties or early fifties wishing to move to a better, more expensive house but unwilling to take on the high monthly commitments of the repayment or the low cost methods.

The shorter the term to repayment the higher the cost. The arrangement is not for the first time buyer or the younger employee.

The table shows just how the cost burden can be relieved by using an interest-only mortgage. Although the building society manager may not ask directly, the employee should check that his lump sum commutation and the death-in-service payments will cover the mortgage.

The obvious disadvantage in such a link-up is that difficulties will occur if the employee changes jobs and moves to an employer without a company pension scheme. Or even worse, if the employee is made redundant.

The mortgage would have to be refinanced involving considerable cost, particularly that of arranging life cover.

But this drawback is also present with the self-employed pension mortgage scheme and the building societies have accepted it without any fuss. Nevertheless, an employee needs to be confident of his job security or his other financial resources before embarking on an interest-only mortgage.

Another disadvantage of using the company pension benefits is that the employee is eating into his pension. But this can be offset by taking out an AVC scheme to replace the benefit lost.

There is usually plenty of scope for employees to take out an AVC scheme providing his employer operates one. The table shows, for comparative purposes the cost of an AVC on an interest-only mortgage.

The supporters of personal portable pensions, led by the Centre for Policy Studies, advocate that employees should be able to use their pension benefits for mortgage purposes. But building societies are not yet ready to formalise a company pension mortgage scheme.

MAN AGED 50 EXACTLY BORROWING £25,000 TO BE REPAID AT 65.

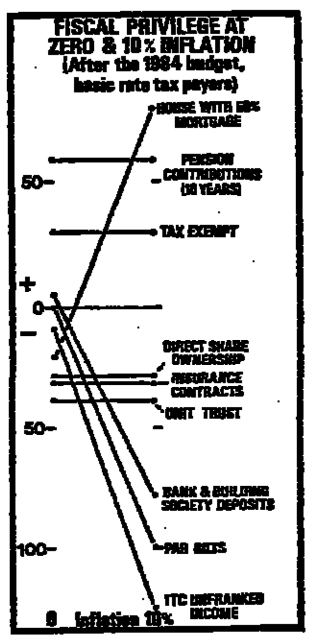
Paying basic rate tax. Monthly outlay	
(a) Net repayment method	£231.28
(b) Low cost endowment	£244.30
(c) Interest-only	£153.30
AVC scheme (optional)†	£37.11
MAN AGED 55 EXACTLY BORROWING £25,000 TO BE REPAID AT 65 PAYING BASIC RATE TAX	
Monthly outlay	
(a) Net repayment method	£299.03
(b) Low cost endowment	£343.30
(c) Interest-only	£153.30
AVC scheme (optional)†	£79.58

† Equitable Life, using current bonus rates.

ASSURANCE

Should you hang on for life?

CLIVE WOLMAN looks at post-Budget problems facing life policyholders



IF YOU took out a life assurance policy before the Budget, hang on to it until it expires, even if you have to borrow to continue paying the premiums. That has been the near-universal advice since the Chancellor abolished the tax subsidy on all new life policies in the Budget.

But a study produced yesterday by the Institute for Fiscal Studies demonstrates that, as far as basic-rate taxpayers are concerned, this assumption is not correct.

The trouble is that the returns on the money you have put into the insurance company fund in the first few years are taxed at a rate higher than you would be paying if you invested directly in shares or unit trusts.

The more money that you have put in, the greater the expected returns and the greater the penalty. So there comes a point when this penalty more than offsets the tax subsidy granted on the premiums of policies taken out before the Budget.

On a typical mixed fund run by an insurance company, which invests in equities and gilt-*edged securities, this point* arrives after 10 years if inflation at that time is averaging about 10 per cent. If the rate of inflation remains at zero, it is worth holding on for about 17 years.

This advice assumes that you suffer no penalty if you cash in your policy early. Most companies impose no, or only minimal, penalties if you cash in after 10 years or more even if you have a 25 or 30 year endowment policy linked to a mortgage.

For higher-rate taxpayers, however, it is worth holding on, as the tax imposed on the insurance company funds will be less than the tax payable if they invested in, say, unit trusts directly.

Before the Budget abolished the tax subsidy, higher-rate taxpayers found it worthwhile to cash in their policies after 7½ years and, where appropriate, to take out a new one to obtain the maximum tax advantage. This rule, however, no longer applies.

Higher-rate taxpayers may still find it worthwhile now to take out a policy even without the 17.65 per cent tax subsidy topping up their premiums. This is because, provided they hold on for at least 7½ years, the gains they make when the policy is cashed in will be tax-free.

The only tax their investment will have suffered is that imposed on the insurance company — and the rate of tax *it pays is lower than that faced* by the higher-rate taxpayer.

But the IFS study shows that if inflation is high, insurance companies will be obliged to pay a heavy tax on interest which does no more than compensate for the erosion of the purchasing power of your investment in the fund. In such a case, even top-rate taxpayers would do better to invest directly in, say, an index-linked gilt than through an insurance company.

So the only circumstances in which it is worthwhile continuing to use an insurance policy as an investment is if you are a higher rate taxpayer, and if you believe that inflation is not going to rise much above 5 per cent.

Basic-rate taxpayers can find several types of investment which have more fiscal privileges than insurance policies.

So much for the Chancellor's claim that he intended "to make life a little simpler for the taxpayer."

Pressure from a bank

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

I have recently been requested by my bank to sign a form permitting it to retain any cancelled cheques which hitherto have been returned to me monthly and which I use as receipts of payments made. So far I have refused to sign the document but I am being pressurised to do so as the bank has centralised its production of bank statements at its computer centre and claims it is too expensive to return cheques.

I have always assumed that cancelled cheques were the property of the drawer and that I have the right to their return: I would be glad to have your opinion on whether I have such a right.

You are not obliged to sign the form; but the bank is not obliged to retain your custom. If you refuse it will probably terminate your contract and offer to accept you as a customer on a fresh contract which will entitle it to retain cancelled cheques.

The car was a "write-off"

Where a car is damaged to such an extent that it is accepted by the insurance company as a "write-off" and the insured is compensated for the total loss and another car is purchased, should the renewal of the original policy be from the date stated on the policy or from the date when the other car was purchased, since during the period when the original car was damaged and that when the other car was purchased, there was no car in existence to be insured?

We think that you are right in thinking that the new insurance should run from the date of purchase of the second car; for the reason you give.

Useless son-in-law

My son in law is totally inadequate on money matters. In my will I would like to leave my daughter my money and if she dies before me, the money goes into a trust for my grandsons. This is straightforward, but it means that if she dies before her husband, he will inherit from her and my grandsons will never see a penny of it. Is there any way that I can give my daughter access to capital, but in the event of her death the grandsons inherit?

You should provide in your will for the gift to your daughter to be a life interest only, with remainder to her children. Thus she would be entitled to income only, and your grandchildren to the capital.

Missing assets

I am executor and trustee to the state of my late mother, in which my father has a life interest, on his death I will inherit the bulk of the estate absolutely, with a small fixed sum to be held in trust, with myself as trustee, for a second party.

Recently, whilst I was out of the country, the second party named in the will entered the house and removed property valued at £600 that was part of my late mother's estate: the second party refuses to return the property or to furnish me with a statement to the effect that the property was taken without my permission.

Would I, in this case, be within my rights to subtract the sum of £600 (plus inflation) from the income of the trust of which the second party will become beneficiary on my father's death?

The course which you suggest (but substituting interest for "inflation") might be appropriate if you can clearly establish the material facts when the residue falls to be distributed. Your proper course as executor, however, is to require the return of the missing assets, by court process if need be.

It all attracts the taxman

Three years after my son died intestate his widow remarried to a man with his own house, so my son's house was sold. The proceeds were invested 50/50 between the widow and the two children then aged 8 and 10 years. The widow receives the income on her half for life and the children's income is in a deposit account (capital amount about £10,000 each child) and they receive their capital at age of 18.

The income they receive from the investment in shares is taxed at source. We are told that although they are not above the tax exemption bracket we cannot get the tax until they are 18 by which time its value will be eroded by inflation as well as losing the reinvestment return in the meantime. Is this the case and if so should we reinvest in something where the tax is not deducted at source?

Your adviser (presumably your son's solicitor) was apparently trying to warn you that all accumulated income attracts (and will continue to attract in future) 45 per cent income tax, under section 16 of the Finance Act 1973. The trustees will doubtless be considering application of the income for each child's maintenance, education or benefit, with consequent repayments of the 45 per cent tax withheld (under section 17).

A struggle to understand

You indicated on October 15, 1983 that, for Capital Gains Tax purposes, one is deemed to have acquired a holding of securities obtained through a Rights Issue on the date of the acquisition of the original shares.

My friendly and helpful Tax Officer says that she does not know the authority for this statement.

The rules are to be found in section 78 of the Capital Gains Tax Act 1979, in conjunction with paragraphs 5 (2) and 8 (3) of schedule 13 to the Finance Act 1982.

Quite a few tax officers around the country still appear to be struggling to comprehend the 1982 CGT rules. Indeed we gather that the Board of Inland Revenue themselves do not yet fully comprehend the interaction between section 86 (4) of the Finance Act 1982 and, for example, paragraph 11 (8) of schedule 5 to the CGT Act. Tax officers and taxpayers alike must hope that Conservative backbench members selected for the forthcoming Standing Committee on the Finance (No. 2) Bill will adopt a more analytical and critical approach to the text of each clause and paragraph than they and their colleagues did when looking at the 1982 Bill.

When you lock up your daughters

Shortly before my grandfather died in 1926 he set up a discretionary trust for his then unmarried daughters. He placed the bulk of his money in stocks and shares in this trust. The principal reason for him doing so was to prevent any future husband from benefiting from his daughters wealth and the effect of the trust was that his daughters should have the income from the trust for life jointly and that the trust money should pass to any children from the marriages. My mother and aunt had wide powers of investment.

In about 1950 my mother and aunt divided equally the assets of the trust still then in stock and shares and they took their equal shares of the trust into their own control. My mother then used the trust assets very much as he own. She purchased a house in the trust's name which she lived in until her death in 1982. She also purchased various other property assets which were not placed in the trust's name although various mortgages of small amounts were in existence. In her will she left the bulk of the free assets to my brother with a "wish" that I should receive the house she lived in and now in the name of the trust which is effectively in my brother's and my control.

The house is worth about 000 and the remainder of the assets £75,000. There are other cash assets of £50,000. At this moment there is no urgency to sell the house—but am I correct in assuming that if it is sold CGT on the improvement value of the house will have to be paid. Is there any further advice you may be able to give to minimise tax?

It looks as though a deed of family arrangement may be helpful, but you have left things rather late: there is a two-year time limit, for CTT and CGT purposes. You and your brother may well wish to consult a solicitor (fairly quickly now, if your mother died in the early part of 1982).

Meanwhile, ask your tax inspector for the free leaflet CGT4 (CGT: owner-occupied houses) and booklet IR1 (Extra-statutory concessions) concession D5 may be of particular interest.

Why the greenfields are neglected

BY WILLIAM DAWKINS

Unlisted Securities Market

NOT SURPRISINGLY, the USM greeted news this week of deepening losses from high-tech effluent treatment company Biomechanics International with a raspberry.

Biomechanics' share price slipped 9p to 41p in the few days ahead of the figures as investors braced themselves for its announcement of nearly tripled pre-tax losses of £137,568 for the 12 months to last December. After the announcement, the shares dipped further to a new low of 38p, before recovering to 41p, where the group is valued at £3.4m.

Biomechanics has developed a system that claims to treat industrial waste at a fraction of the cost of conventional methods and to extract useful gases like methane from the effluent.

After an earlier hiccup over its application for the USM, Biomechanics initially attracted tremendous enthusiasm, with the share price rising to a high of 125p, a 150 per cent premium over the 50p issue price, soon after its market debut last June.

Along with names like Xyllyx, Airship Industries and Nimslo Biomechanics is a classic example of the highly speculative start-up companies which have contributed to the USM's glamorous image.

Yet they are being packed off to the corporate dog-house in increasing numbers by investors whose patience has been sorely tried by regular losses and a rash of rights issues. Of the nine so-called greenfield ventures traded on the USM, seven are currently quoted at below their issue prices—far higher than the USM average of one laggard in every four stocks.

Biomechanics, although one of the few USM start-ups not to have come back to the market for more cash to fund its development, has never forecast when it would make a profit or pay a dividend.

In spite of his company's fall from favour, chairman Ian Weston-Smith is staunchly resisting any temptation to speed up his development plans in an attempt to hasten Biomechanics' entry into the black.

"If you rush your fences in this business, you get a terrible reputation if something goes wrong," he says.

The pace at which Biomechanics can develop and instal plant is limited by the need to adjust the process for the often complex chemical qualities of individual customers' industrial waste. The group has already installed four full-size plants for paper, chemicals and food companies, at a profit of between £50,000 and £120,000 each.

It has a "large number" of pilot projects on the go, most of which are expected to turn into full contracts because the pilot plants cost each customer £10,000 to instal.

If Biomechanics and the other USM greenfield companies which have been cold-shouldered by investors are long on hope and short on profits, then they are not very different from the other start-up businesses which have attracted plenty of enthusiasm on the flourishing private venture capital markets.

So why should the USM appear to lose faith where the venture capitalists are prepared to tolerate a rough ride? Weston-Smith believes the lack of available research by analysts on companies like his own has something to do with it.

More important, institutional investors, which hold an estimated 70 per cent of the free equity on the USM, are unwilling to risk their necks too much there. They can speculate in greenfield companies far more cheaply on the private venture capital market via private placings, where company ratings are generally lower than on the USM and where they can offer private clients the tax breaks available under the business expansion and start-up schemes.

Garth Ramsay, deputy chairman of investment trust management group Ivory and Sime, which runs an £8.6m trust specialising in the USM, says: "One has the suspicion that many companies come on to the USM because they can be puffed up sufficiently to get a higher price.

"It may suit the entrepreneur, but the company tends to be struggling against the odds from the start because the price is so high."

Greenfield operations inevitably run into crises in the early years, says Ramsay, and institutional investors tend to feel happier when these can be overcome privately without worrying about the glare of adverse publicity which is usually cast on struggling USM start-ups.

Keith Crowley of Britannia Arrow, the only fund management group to run a unit trust fully specialising in the USM, is equally cautious. "We are looking for companies with a proven record rather than promises of jam tomorrow. We just regard that sort of investment as being too risky to take a view on."

Institutional investors' reservations, however, show no sign of deterring greenfield companies from applying for the USM. The latest is Applied Holographics, which has developed an automatic hologram copying system and hopes to make its market debut in June.

Simon Rogers, the company's chairman, says he has received several letters of intent to buy his machine, which was unveiled publicly on Wednesday, and plans to come to the USM with a list of firm orders.

Applied Holographics is traded on the over-the-counter market, which may not be a playground for the institutions, but it has seen its share price rise from 74p last October to around 175p this week.

Money maze

MINING

KENNETH MARSTON

MANY and ingenious are schemes for raising money—legitimately, that is. Mining companies are pretty good at it but they seem to love the more complicated methods; simple straightforward rights issues of new shares are no doubt considered all very well but the mining world loves to put in a few more angles. Its finance men probably play a lot of chess.

Take, for example, the terms of the big rights issue being made by the Afrikaner-controlled General Mining Union Corporation (Gencor). In order to raise R410m (£229m) the South African mining and industrial group is offering its ordinary shareholders some unusual preference shares and debentures.

For every 100 ordinary shares held on April 27 Gencor shareholders are to be offered 19 compulsorily convertible preference shares or 19 compulsorily convertible debentures. Alternatively they can have a mixture of both and the price is the same for either class of security.

It is R27 (about £15 at current exchange rates) which is around the going share market price for the ordinary shares. These new securities are in a sense ordinary shares in disguise because when Gencor's annual dividend reaches 337.5 cents they will be automatically converted into common shares. It is only 190 cents at the moment.

In a simple rights issue of new ordinary shares, the offer price is, of course, pitched well below the market price for the existing shares. So where is the attraction in the Gencor offer?

Well, there are various angles to consider but, basically, the new securities will give a higher dividend yield than the 7 per cent return for the ordinary shares on the basis of last year's dividend.

And if Gencor's ordinary shares gain in price against a background of rising profits and dividend the new securities will also gain in value because they, too, will eventually become ordinary shares.

In the meantime the new preference will receive a dividend sufficient to give an annual return of 8.5 per cent on the issue price of R27 or an amount equal to the ordinary share dividends, whichever is the greater.

The debentures will offer a higher annual return of 12.5 per cent. So why bother with the lower-yielding preference? Here is another angle conjured up by the wily Afrikaners who know full well that in South Africa corporate, or company, holders of preference shares have special tax advantages which do not apply to holdings of debentures.

As a result these corporate shareholders will get a better net return on the preference shares and, of course, Gencor will not have to pay them so much in interest as it will in the case of the debentures. All other shareholders, including those in the UK, will be better off with the debentures.

There is yet another angle that has been taken into account by Gencor. It is that the issue will be welcomed in South Africa where the sharemarket is awash with institutional money held by pension funds and others which has to be invested within the country because of exchange controls.

These controls are unlikely to be eased while the Republic's economy is suffering from the twin effects of a low gold price and the worst drought in living memory. The locked-in investment funds help to explain why the South African sharemarket is so surprisingly buoyant.

The chances are that Gencor will make it possible for UK shareholders to subscribe for the issue in sterling, thus avoiding the expense and bother of paying in South African currency. For a group of Gencor's calibre, the return on the debentures is attractive.

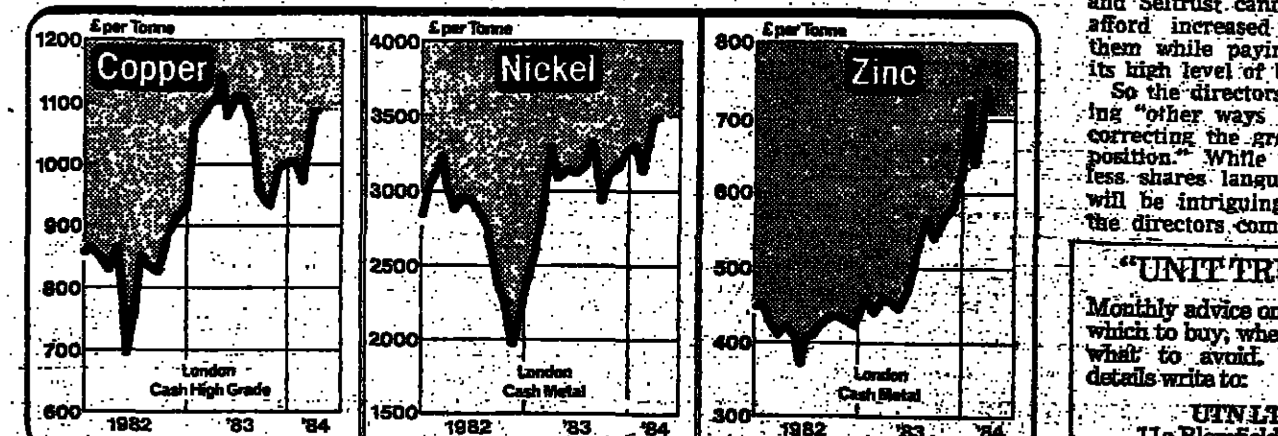
Rio Tinto-Zinc Corporation which, incidentally, is due to publish some good results for 1983 on Thursday, issued a 9¼ per cent convertible loan stock at par, £100, in September 1980. Holders have not done badly, having continued to receive the 9¼ per cent annual interest while the price of the stock has since risen to £150.

They will have their first opportunity to convert it into ordinary shares in June this year. Thereafter it will be convertible in June of each of the years to 1995. The terms are 20 shares for every £100 nominal of stock which is equivalent to a price of 750p per ordinary share. The latter were 680p yesterday.

Another candidate for the money-raising list is Seltrust Holdings, the 75.3 per cent-owned Australian mining subsidiary of British Petroleum. Seltrust is struggling, not unhopefully, to return to profitability but with metal markets as they are the company does not expect to reach that happy stage this year.

Seltrust aims to take a decision in mid-1985 on a major expansion of its 60 per cent-owned Agnew nickel mine. The necessary studies cost money and Seltrust cannot at present afford increased spending on them while paying interest on its high level of borrowings.

So the directors are considering "other ways and means of correcting the group's financial position." While the dividendless shares languish at 84p it will be intriguing to see what the directors come up with.



SAVINGS OFFERS

UK CONVERTIBLE STOCK 7/4/84

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates§	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ‖	Income Conv¶	Income Div♡	Cheap (+) Dear(−)◇ Current
British Land 12pc Cv. 2002	9.60	381.50	333.3	80-02	3.1		+4.6	+ 8 to 1	46.2	60.9	3.7	+ 8.3
Hanson Trust 9½pc Cv. 01-06	81.54	295.50	160.7	85-01	3.2		−5.2	− 8 to −1	170.5	71.0	−31.9	−26.7
Slough Estates 10pc Cv. 87-90	5.03	269.50	234.4	78-85	3.7		−6.5	−14 to −4	21.5	9.3	− 4.2	+ 2.4
Slough Estates 8pc Cv. 91-94	24.72	118.50	97.5	80-88	6.9	5.2	−1.2	− 6 to 3	24.9	25.8	0.7	+ 1.9

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. ‖ Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. § Stated date is assumed date of conversion. This is not necessarily the last date of conversion.

YOUR SAVINGS AND INVESTMENTS—2

Eric Short examines the controversial new staff pension scheme introduced by British Airways

The lures and snags of flying the flag

THIS WEEK, the controversial new British Airways pension scheme came into operation and all employees joining BA from the beginning of this month will automatically join the new plan.

But the 32,000 present employees have a choice. They need to decide, over the next three months, whether to stay in the present Airways Pension Scheme (APS) with its high level of benefits or to join the more modest New Airways Pension Scheme, known as NAPS.

The table sets out a comparison of benefits and contributions relating to the two schemes. The benefits provided by the new scheme are lower than those under the old one, but so are the contributions.

Not only are the rates lower, as seen from the table, but they are applied to pensionable pay that is reduced to allow for integration with the State scheme (that is, the basic State pension is effectively deducted).

The prospect of lower pension contributions in itself would normally be sufficient inducement for the majority of people to switch. People's concern about pension increases with their approach to retirement.

The younger employees are usually more concerned about minimising the payment of contributions, which hits their take-home pay, than with maximising benefits due many years hence.

However, there is another factor likely to have far more influence on BA's employees. An employee who switches schemes will have paid more into the old scheme in respect of past service than is required to cover the benefits eventually received under the new scheme.

BA is compensating employers for this overprovision in one of two ways.

Either they can take the compensation as extra years in the new scheme, that is the number of years that count towards calculating the pension are increased in the new scheme. Or the employee can carry over the same number of past service years into the new scheme and receive compensation as an immediate cash payment.

The size of compensation, whether as extra years or as a cash payment, will depend on factors such as age, salary and length of service. Individual employees will be told of their particular terms and BA is not giving widespread details. But sizeable sums are involved.

BA has quoted the example of a manager aged 50 with 20 years' service on a pensionable salary of £13,700. He is entitled to either 26 years and 4 months in the new scheme, or 20 years and a cash sum of £9,855.

The lure of a cash sum is likely to be irresistible for many people, particularly since the Inland Revenue is allowing sums up to £25,000 to be tax free. The natural inclination of people is for cash-in-hand rather than benefits in the future.

Indeed, the local traders in the Heathrow area consider this exercise to be a mere formality and that it is a foregone conclusion that employees will take the cash without a second thought.

The above advertisement came from the March 30 edition of British Airways News—the edition which gave extensive coverage of the proposed changes and told BA employees that they would be receiving their transfer offers in the next few weeks.

The advertisement from Abbey National was much more responsible, but again it assumed that employees would be taking their lump sums first and then consider what to do with the money later.

Indeed, the normal advertisements in the BA News, concerning holidays, jewellery and so on will remind employees that there are 101 desirable things on which they can spend money if only the yhave it in their pockets.

British Airways has a vested interest in persuading as many employees as possible to switch to the new scheme, simply because, on the admission of the chief executive, Colin Marshall, the present scheme has become very expensive to run.

However, BA wants employees to consider all aspects before making up their minds and has appointed Hogg Robinson (Benefit Consultants) to carry out a major communications exercise explaining all aspects of the changeover to every BA employee.

The attitude of the main trade unions involved is, however, unequivocal. They are totally opposed to the changeover and will be advising their members not to switch.

COMPARISON OF BRITISH AIRWAYS PENSION SCHEMES

		Airways Pension Scheme	New Airways Pension Scheme
Pensions	Ground staff	1/60th or pensionable pay for each year of service up to 40 years	
	Flying staff	1/56th of pensionable pay for each year of service up to 37 years	
Pensionable pay		no deductions	Reduced by 1½ times the Lower Earnings Limit of the State scheme (present reduction £2,535)
Index linking		Full	Full up to GMP maximum of 5 per cent above
Contributions			
Ground staff	men	7.25	5.25
	women	5.75	3.75
Flying staff	men	8.5	6.5
	women	7.0	5.0

The Transport and General Workers' Union is dogmatic. It regards APS as a second division scheme that is of no use to anyone though in fact it is better than many existing schemes in the private sector. It considers the Hogg Robinson exercise to be a complete waste of time and is advising its members not to bother with it. However the ultimate choice is up to the individual members themselves.

The Amalgamated Union of Engineering Workers and the British Air Line Pilots Association are taking a more pragmatic view, accepting that their members will inevitably be tempted to take the cash. But they are drawing members' attention to the lower benefits, including the loss of full inflation protection.

The AUEW is concerned that local traders are already jumping on he bandwagon, *for* instance, tempting BA employees to cash in part of their pension rights for an instant Ford Sierra.

By the time the communications exercise is over, the employee may well feel completely bemused by the opposing arguments, though Hogg Robinson claims it will design an unbiased presentation. Essentially there are two factors to consider.

The employee has to weigh up the immediate cash rebate and contribution cut achieved by benefit and lack of inflation proofing offered by the new scheme.

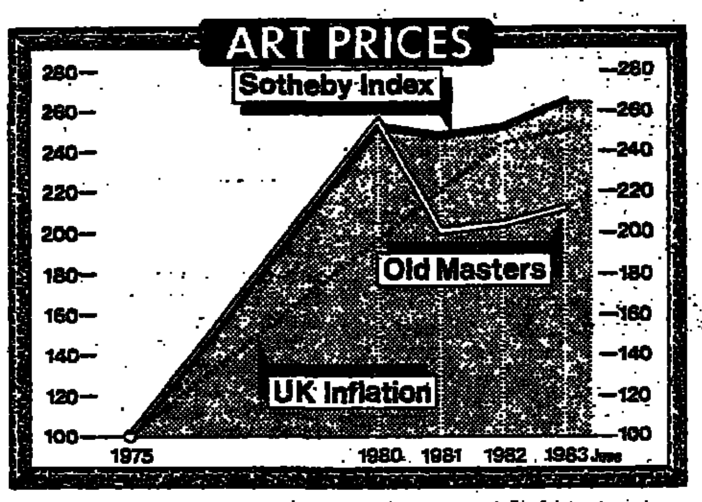
The lower pension benefits are possibly of more significance than the lack of inflation proofing. The new scheme, being contracted out, will provide full inflation proofing only up to Guaranteed Minimum Pension (GMP) level with 5 per cent inflation proofing above that.

Nevertheless, for the lower-paid employees the new scheme will still give a relatively high level of inflation proofing—a point which so far BA has not emphasised.

Employees have to consider whether the new scheme pension of a maximum of two-thirds final salary (but including rather than being on top of, the basic State scheme) will be sufficient in retirement, or whether they need a two-thirds pension plus the basic State pension as under the old scheme. Hogg Robinson's responsibility is to highlight these features in a balanced way.

INVESTING IN ART

How to get in the picture



THE CONTINUAL breaking of new price records in the sale of paintings at Christie's or Sotheby's auction houses may give the impression that paintings have been a remarkably profitable investment and hedge against inflation in the last decade.

But because so few paintings have been bought and re-sold over such a short period it is difficult to know whether their financial attractions have matched their aesthetic ones.

In the first five years to 1980, the index kept well ahead of inflation but in 1981-82 art prices fell back. Portrait miniatures proved to be most profitable category of art object but the prices of 19th-century European paintings also rose much more quickly than the average.

The laggards were the Impressionists, although American paintings and Old Masters have also performed below par. The prices of paintings in these three categories have risen less since 1975 than the Retail Price Index.

The EIU has collected information on a variety of Old Masters which have changed hands twice in the last 25 years at published prices. These are shown in the table. The best performer was a village scene painted in 1654 by David Teniers the Younger.

Two studies published this month, however, suggest that while paintings and other *objets d'art* in general have barely kept ahead of inflation over the last decade, and certainly not after insurance and maintenance costs are taken into account, some categories of paintings have proved consistently profitable.

The Economist Intelligence Unit is to publish a special report on art as investment later in the month as an update to its 1979 report. As a general indicator of the state of the art market, it uses the Sotheby index which covers five categories of paintings, three of furniture and two each of silver and ceramics.

The other study, carried out by Solon Consultants for the Alan Jacobs Gallery in London's West End, focuses more narrowly on Dutch and Flemish Old Masters of the 17th century.

Its interest lies in the fact that a simple and inexpensive technique was used to gather the information and make the price comparisons which could easily be used even by amateur art collectors.

John Myers of Solon Consultants tapped the data-base of the Art Sales Index to establish the sales prices over the last 13 years of 194 paintings by eight Dutch and Flemish artists.

The artists chosen include the two Brueghels, the two van Ruysdaels and David Teniers. But the stars, Rembrandt, Vermeer, Rubens, Van Dyck and Frans Hals, have been excluded. This, Alan Jacobs claims, gives a more representative picture.

The average prices of the paintings sold each year has risen steadily over the last 13 years except in 1981-82. The average compound rate of growth has been 16 to 17 per cent per year, the results show.

These results reflect the average sales price of different groups of paintings each year and thus, over time, there is no strict comparison of like with like. Only one painting changed hands more than once in the period.

This method of gathering and comparing prices which for the eight artists cost only £150, can easily be used by a collector wishing to find out about the price performance of the works of, say, one or two artists before buying their works.

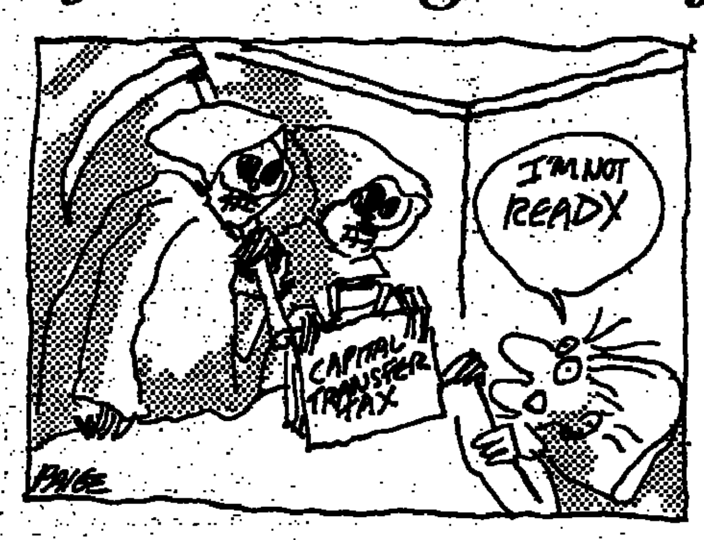
CLIVE WOLMAN

YOUR SAVINGS AND INVESTMENTS—3

MAKING A WILL

Andrew Taylor looks at the problems that could face the family if you leave it too late

Taking the worst of the sting out of death



PLANNING FOR death is not pleasant to contemplate. But failure to put affairs in order could mean extra misery for the family instead of a handsome bequest.

You may feel you have plenty of time to make a will. This can be a selfish and costly attitude. Procrastination can create additional problems for your family when least bearable.

For example a wife may find herself short of cash because her husband's assets are automatically frozen on his death until administrators to the estate are appointed by the Probate Registry. This can take several weeks.

Executors named in a will have authority to act from the date of death to operate the deceased's bank account. They can sell shares, take over the running of the deceased's business or pay outstanding debts provided actions are taken in the best interest of beneficiaries.

Executors, often the next of kin, should also include someone with professional experience—often the solicitor who drew up the will.

The drawing up of a will enables a person not only to decide how the assets accumulated over a lifetime should be divided but allows for the appointment of trustees to ensure the money is used in the manner for which it was intended.

For example a mother or father may decide their heirs are unsuited to handling large sums of money. Parents can appoint trustees to look after young or even grown up children's interests to ensure a legacy is not wasted.

The death of both parents can also raise the issue of who should become the guardians of children under 18. Couples may have firm ideas of how their children should be brought up. It is no good just having a quiet word with a chosen aunt or uncle. Without specific instructions the courts may arrive at a totally different conclusion.

It is worth making a will even if you believe you have no assets worth fighting over. A lot of grief can be avoided simply by naming executors or guardians for any children.

To die intestate means your estate will be apportioned according to a rigid set of rules.

A widow with children, for example, is entitled only to a statutory legacy of £40,000 and her husband's personal possessions such as a car provided it has not been used for business.

The remainder of the estate is divided. The wife is entitled only to the income from her half. The other half is held in trust for children until they are 18. The wife's half is divided equally among the children on her death.

This could cause serious problems particularly where an expensive single property is involved. What happens when the family wants to move or if the surviving spouse wishes to remain in the family home while the children want to realise their legacy?

A couple without children who die simultaneously may find their estate being shared between their families in ways they had not planned particularly if the bulk of the assets are held in the name of just one spouse.

Other problems can emerge if a couple are not married, have children, and the major wage earner dies without leaving a will. Moreover the estates of people who die without family revert to the crown if there is no will.

Even if you are young, single and with no dependents it is worth making a will, particularly if you want to make a specific bequest, maybe of some treasured item, to a particular person.

If a single person dies intestate his or her estate will first pass to the parents. This may not have been wished. Even if parents pass on a legacy to other members of the family this can trigger capital transfer tax or capital gains tax, which might have been avoided if a will had been made.

Making a will is also a good time to consider tax strategy. Best advice is to make gifts during your lifetime, rather than wait until death when capital transfer tax is more onerous.

The first £64,000 of gifts are exempt from tax—whether the donor is alive or dead. After £64,000, capital transfer tax is levied at higher rates if the transfer is on death.

It is also possible to make gifts of more than £64,000 during a person's lifetime without triggering tax—under the 10 year rule limit and under additional annual exemptions of £3,000 a year.

It is useful to remember that married couples are assessed separately for capital transfer tax. Thus each spouse can leave a £64,000 gift to his or her children without triggering a tax liability. Gifts made between husband and wife are not taxed at all.

Ian Pittaway a solicitor with Nicholson Graham and Jones, suggests that a couple should consider dividing the family's assets between themselves in their lifetime, with each spouse leaving part or all of his or her share direct to the children. This can result in a very significant tax saving for the family as a whole.

A two-year discretionary trust may be established if couples are unsure that they could survive on a half-share of the family's assets.

The trust would allow the surviving partner to inherit the other partner's assets but with an option to pass these on to the children with no extra tax liability provided the transfer takes place within two years.

Wills may even be re-written after death. This may be done under a deed of family arrangement provided all the beneficiaries named in the original will agree to the new terms and provided the will is varied within two years of the death.

After entering into a deed of arrangement families have six months to inform the Inland Revenue to avoid triggering any additional capital transfer or capital gains tax liabilities.

The cost of preparing a single straightforward will might be no more than £40 or £50. People with more complex tax problems may pay several hundred pounds but it could be money well spent.

PENSIONS

The American way

BARRY RILEY reports on a scheme that has lessons for UK pension planning

THIS IS the peak season in the U.S. for IRAs — the Individual Retirement Accounts into which American citizens can put up to $2,000 a year.

The deadline for obtaining tax relief is the date for filing the 1983 tax return, which this year falls on April 16.

Many saving institutions will be staying open late in the next few days to catch their share of an IRA market which has been running at over $40bn a year, and some will be doing business until midnight on the 16th.

With the debate about pension portability now in full swing in the UK, the American experience with IRAs could be highly relevant. Of course, for obvious reasons any British equivalents would have to be called something different — Industrial Pension Accounts, perhaps, or Personal Retirement Plans.

IRAs were first permitted by U.S. legislation around a decade ago, but the big breakthrough same in 1982 when the right to set one up was extended from the self-employed to the employed sector.

They are a highly effective means of sheltering income from tax — up to a limit of $4,000 a year for a couple when both partners are in employment.

Once invested, the money is also sheltered from subsequent taxes on investment income and gains — allowing the accounts to roll up rapidly with the benefit of high gross returns.

IRAs have quickly caught on in America—with the aid of an immense blast of publicity from the savings industry. Signs and posters promoting IRAs proliferate in the windows of every bank and savings institution, and strident advertisements dominate the fiancial pages of the newspapers.

It is thought that American savers have now invested more than $100bn in IRAs.

In the first three years in which IRAs have been open to all, most investors have opted for easy, familiar types of savings opportunities.

So although this is very much long term saving, more than half the money is estimated to have gone into accounts at banks and savings-and-loan association

On some estimates, as much as two-thirds of the money has gone into various kinds of simple, interest-bearing accounts.

But IRAs are very flexible in nature. Although the investments cannot be withdrawn without paying a tax penalty, they can be switched, or rolled over into new IRAs.

So brokerage houses and mutual fund (unit trust) companies have been stepping up their attack on the IRA market. To begin with, accounts of $2,000 are not of much interest to them.

But after a few years of contributions, and allowing for the compounding of gross income, some quite sizable funds could be built up—offering potential profit for the brokers and fund managers.

Brokerage houses are offering IRA facilities which permit investors to buy and sell chosen investments, all within the tax shelter. Mutual fund groups sometimes allow free switching between different funds.

The U.S. Congress widened IRA eligibility in the Economic Recovery and Tax Act of 1981 as a means of encouraging long-term savings and of making people more personally responsible for their welfare in old age.

IRAs have the advantage, of course, of being portable since they are usually operated quite separately from the employer's scheme (though employer-sponsored plans are also allowable).

In the UK, additional voluntary contributions can at present only be made into company schemes. But there are expectations within the life assurance and pensions industry that the scope for AVCs will be broadened following the special inquiry into pension portability by a five-man team headed by Norman Fowler, the Social Services minister.

The inquiry has no doubt had a look at some of the key features of American IRAs. These include a ban on withdrawals (except at a penal tax rate) before the age of 59½.

Beyond that age, withdrawals are discretionary up to 70½, but must commence by then. Withdrawals are taxable as ordinary income.

Naturally the US taxman has hedged IRAs around with many restrictions to make sure they are not used for unintended purposes. Thus IRAs cannot be borrowed back, or pledged as security for a loan, and they cannot be used to finance collectibles like stamps or works of art.

The big selling points for IRAs are that they allow the investor to defer tax until well into the future when he is likely to be in a lower tax bracket and that the income earned on the investments rolls up tax free.

So the kind of sum being used to attract investors is that a 35-year-old man who invests $2,000 a year until the age of 59, earning 12 per cent a year on the fund, will have accumulated a nest egg of $300,000 when he reaches the age of 60.

PROPERTY

To the manor born . . .

BY JUNE FIELD

"HULL WAS anciently a Manor, and according to the same authority was conveyed by Eadbald, King of Kent, to the Abbot and Convent of St Augustine, probably in 618 AD," the introduction to the 1948 sale particulars of the Hull Place Estate near Deal, says.

History makes manor houses some of the most interesting homes on the market . . . and probably some of the best value.

They are usually manageable homes, rather than vast stately edifices which can take a great deal of heating and maintaining, as well as incurring a greater capital cost. Certainly in today's expanding market, they should not take too long to sell.

Hasted, the Kentish topographer, records the history of the Hull Place Estate from the 23rd year of King Edward (1359), to 1799, when it belonged to a James Wyborn.

Now the major portion (the entire front) of the Queen Anne manor is being sold by cookery and travel writer Gretel Beer.

Gretel Beer spent three years restoring the house, only to have to do it all over again after a fire.

"But both times it was an absolute labour of love," she says, showing me the stylish house which outside still looks almost as it did in that 36-year-old brochure.

Now though there are six lavishly decorated bedrooms, five bathrooms, plus a sauna, lift from the cellar to the first floor, and grapes, lemons and avocados grow in the conservatory near the old herb bed in the entrance courtyard.

There is also a flourishing vegetable garden and orchard, a reminder that the estate was once highly productive and lucrative market garden land. (Offers in the region of £160,000 for the freehold are being asked by Christopher Calcutt, Strutt and Parker, 2, St Margaret's Street, Canterbury, Kent.)

There is no infallible rule as to what actually constitutes a true "manor" house. The meaning has become clouded over the years.

Brian Bailey in his excellent, well-researched *English Manor Houses*, recently published by Robert Hale, £11.50, advises: "A house with the name 'Hall' or 'Old Hall' is quite likely to be a manor house, while one with the name 'Place' or 'Court' is probably not."

Although as he says, to confuse matters still further, some stately homes and castles, which are certainly not manor houses now, were so once, and may well have the original manor houses incorporated in their structures.

Some manors may have been relegated to use as a farmhouse, vicarage or even an hotel. Three hundred manors and their architectural styles, owners, ghosts and legends are noted in this eminently readable book.

With a total of 13,278 manors in the original Domesday survey of 1086, there are obviously many more to record.

Hintlesham Hall, Suffolk, former restaurant and home of top cook and restaurateur Robert Carrier, can be authenticated by its lordship documents, which show the Baron of Ickworth as the earliest owner in 1713. Then it passed to the Earl of Cardigan.

The documents were sold off independently at the end of 1982, the house the other week by Hampton and Sons. But it has sadly gone to a property development company which specialises in dividing up residential estates.

The price paid has not been disclosed, but the place had already been reduced to £500,000 from its original ambitious £750,000.

Lordships of the manors comprising manorial and court rolls and other documents come up for sale periodically, mainly through Strutt and Parker, Chelmsford, Essex. They sold a record 49 last month, at prices which averaged around £6,350. A record figure of £14,100 was paid for the Lordship of Blackmore in Essex. (It once belonged to Henry VIII, who had a house there called Jericho by his courtiers, who used the phrase "he has gone to Jericho" to mean that the King had retired for his pleasure."

If you still want one of the lordships, that of Laxfield, Suffolk, which sold for £7,100, is on offer before the contract completes on Tuesday, for £10,500 through the Manorial Society. Certainly a profitable turnover for the original bidder.

Remember that although the documents entitle one to the prefix "Lord of the Manor," no property goes with them and that the papers are of such historical value that they usually have to be left in the care of Record Offices' libraries and archives.

The Manorial Society of Great Britain, founded in 1906, is the main source for searching out both manorial documents and actual manors.

They will also try to match up people with manors that might have a particular pertinence to their family. Membership is £15 a year, $40 overseas. Details for a stamped addressed envelope from Robert Smith, 104, Kennington Road, London, SE1 (01-735 6633).

Full-scale manorial research — tracing a "descent" of a Lordship in a village — could cost from £150. A descent of a Domesday manor in Witley, Surrey, first held by Earl Godwin in the reign of Edward the Confessor (1042-66), showed a market franchise, which was granted by Letters Patent in 1294.

"Such franchises and other privileges are generally not among the bundle of documents that come into title, but are stored away in membranes and great tomes that have been kept of royal transactions down the centuries," Robert Smith explained.

"But you have to know where to go, and most important, you have to know how to search. Most people have descents of this type made for purely historical interest, but sometimes potentially valuable rights are uncovered."

The society has built up a list of manors and their lords in England and Wales. Publication as *Domesday II* is planned for next year to celebrate the 900th anniversary of Domesday in 1986.

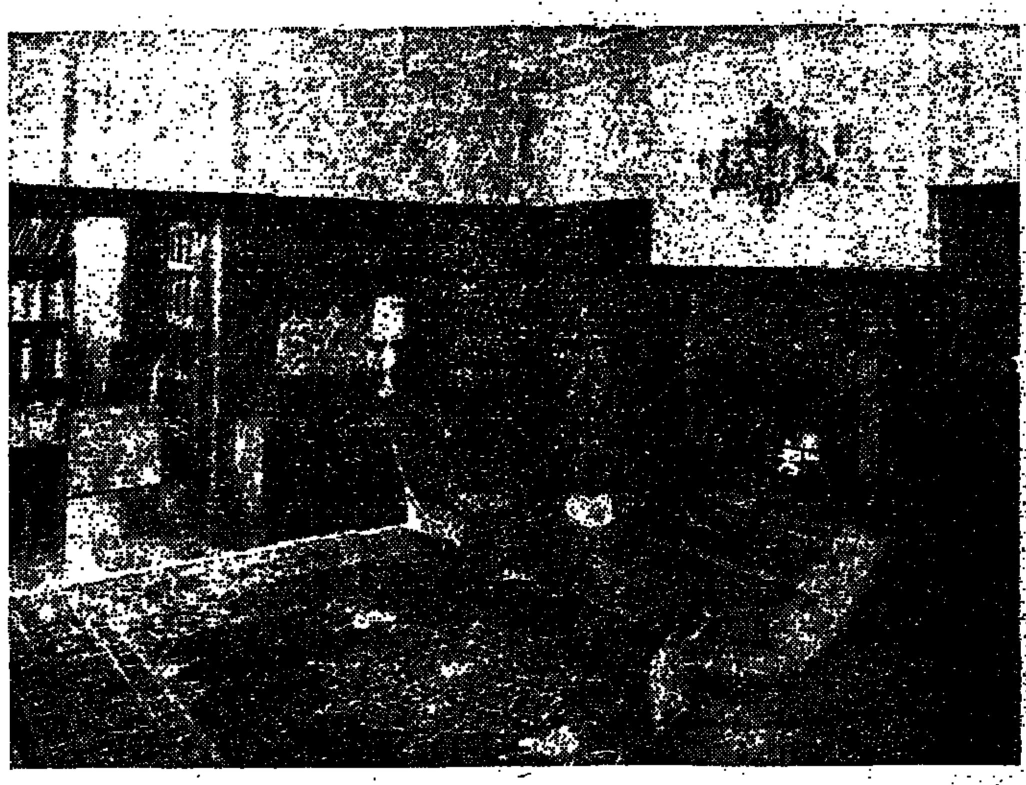
Homes for sale include the Old Manor House, Helveton, Diss, timberframed, built around 1530 (£75,000 through Savills' Norwich office), and Thorington Hall, Halesworth on a Tudor site in 35 acres, in excess of £140,000 through Knight, Frank and Rutley's London, W1 office; while Barton Manor, said to be the oldest inhabited house in the country with parts dating from 800 AD was on offer at £139,500 through the Aldwick Bay Estate Agency, Mortimer House, Aldwick Bay, West Sussex.

Recent sales of manors include:

● **Cotsey Manor**, Trull, Taunton, part of an estate originally given to Admiral Blake by a grateful nation in recognition of his services. (In the region of £135,000 by Humberts, Taunton.)

● **Hartswood Manor**, Reigate, Surrey, originally part of the manor of Buckland, former home of the Quaker leader Thomas Moore, who lived there in 1678, went in the region of £225,000 through Savills, London, W1.

● **Hamsell Manor**, in 42 acres in East Sussex, originally part of the Eridge Estate, ancestral home of the Marquis of Abergavenny, sold for much above the asking price of £300,000 through Savills, London, and Braxtons, Tunbridge Wells.



Reception hall at the Manor House, Sholden, near Deal, Kent, major part of a Queen Anne house on the Hull Place Estate. It has six bedrooms, five bathrooms, and much oak panelling in the living rooms. Offers in the region of £160,000 for the freehold through Christopher Calcutt, Strutt & Parker, 2 St Margaret's Street, Canterbury, Kent (0227 51123).

East Bridgeford Manor, in 5¼ acres with views overthe Trent Valley, Nottinghamshire, originates from 1740, when it was a farmhouse, before being extended in the 1820. The manor has six bedrooms and three bathrooms, the lodge three bedrooms, the annexe 2 bedrooms, and there is a paddock, tennis and squash courts and a solar-heated swimming pool. Offers invited in the region of £240,000 through R. Adams Cairns, Savills, 20 Grosvenor Hill London, W1 (01-499 8644).

Fairbourne Manor, in five acres at Harrietsham, Kent, dates from the 17th century, and has five bedrooms, four bathrooms, an oast containing two flats, paddock, potting shed and four Nissen huts. Offers in the region of £200,000 through Porter & Cobb, 138 High Street, Sevenoaks, Kent (0732 456203) and Christopher Chetwode, Knight, Frank & Rutley, 20 Hanover Square, London, W1 (01-629 8171).

Paradise lost

FISHING
JOHN CHERRINGTON

IT IS not for me to say whether I have wasted my life but I have certainly got my priorities wrong. For thirty years after I left school the farming rat race absorbed all my energies and it was not until several weeks in hospital gave me time to reflect that I realised just how much I had been missing. This particularly concerned fishing. As a boy I had watched a float on the local canal and, on holiday in Ireland and elsewhere had dabbled rather clumsily with a fly rod after trout. But never with much understanding.

But then a friend who controlled a stretch of the Test wrote to wish me well and this resolved me to ask him to put my name down for a rod. This he did and I have enjoyed that river to the full for more than twenty years. It is a wonderful stream and the fish although most of them are reared in captivity and then turned into the river are not, except in the mayfly time, the innocents that the critics maintain. Their capture depends on quite a degree of skill in casting and presentation but when all is said and done it is really an old man's river in gentle surroundings presenting no sort of challenge.

This was brought vividly to mind on reading a collection of essays on "West Country Fly Fishing" which describes the pleasures and challenges to be found in the streams and rivers flowing from the great moors of the Southwest peninsula. I did in fact catch my first salmon on the Exe at Dulverton, but in subsequent visits never had any luck at all.

I also went out one evening with a party to try and catch sea trout in the lower reaches of the Erme. The sun had not quite set when we reached "The Crooked Spire" at Ermington. There were four of us and after four rounds I reached the bank in pitch darkness and a state of some bewilderment. There were splashes in the wate. at which I aimed the fly when I could disentangle it from the trees behind me, but caught nothing.

I have tried night fishing for sea trout in Scotland but did no more than satisfy the hearty appetites of the local midges. They can be caught in daylight like any other sensible fish, if you know they are in the pool try a very small fly sunk very deep on fairly light tackle. But it's not very interesting fishing, at least for me.

The salmon runs on these rivers are not what they were by all accounts but there is always the hope that one day someone will have the sense to control the netting in the Estuary of the Taw and Torridge, or better still so flood the market with farmed salmon that the wild ones are not worth commercial catching. There are some good accounts of salmon days and I was particularly interested in the advice that once your fly is in the water it should be stripped in as fast as possible so that the movement of the fly can attract the fish.

This would be heresy on a Scottish river, where once you have cast you hold the rod steady until the fly has come right round with the current, when you can then take in line and cast again. I must say I prefer a middle course letting the fly sweep round while at the same time making it dance in the current by playing with the line. Scottish Ghillies disapprove of this.

Trout fishing in these streams and rivers is a matter of numbers rather than weights. Wild trout, the limit on most rivers is 8 inches and only six inches on parts of Dartmoor, are very different from the stew fed 2 to 3 pounders on the Test and Itchen. But they are certainly tastier. The use of the dry fly is recommended, but don't wait for a rise as on the Test. There is only a very limited hatch at any time, drop the fly on a likely stretch and hope the fish thinks some stupid insect has lost its footing.

Some of the writers advise upstream wetfly fishing as well, I would call it Nymphing. This would get the fly well down as well as making it easier to hide oneself from fish in shallow water.

Altogether this book almost has me turning Westwards instead of just down the road to the Test or to the North. But in fishing, as in everything else, long experience has taught me that the rosiest prospect has built-in snags. Such as the rivers being in spate, or nearly dry, or the fish themselves not co-operating. But even with that in mind I shall be down there this spring or summer.

West Country Fly Fishing. General Editor Anne Voss Bark, Batsford. £9.95.

TRAVEL

Marches of time

BY ARTHUR SANDLES

ENGLAND'S relationships with its neighbours have long been uneasy. The Romans built walls on the northern borders to mark their idea of a much contested boundary with the turbulent Scots. The presence of a good width of water failed to calm the temperature of links with France and Ireland—and, for that matter with the Spaniards. It could be said that only occasional outbursts have marred our chumminess with the Dutch. The Anglo-Welsh border, however, is another strip of frequent discontent, even if the Welsh themselves indulged in a clever piece of reverse take-over with the Tudors.

The traditional arena for the periodic clashes between the Gallic Welsh and the English (who regularly changed their racial colours) is an endearing spread of land which has Chester to its north, Gloucester to the south and the rivers Severn and Wye meandering along its valleys. This now peaceful zone is a cockpit of history. The Marches.

Ignoring for the moment the historical purists, who will insist on observing the actual boundaries of the Marcher Lords, today's traveller has three basic north-south routes to take in order to explore the area. The A483/A470 roads run on the Welsh side of both border and mountains, while the A48/A49 sweeps down on the more densely populated English side. Choose Wales for the spectacle, England for the prettiness.

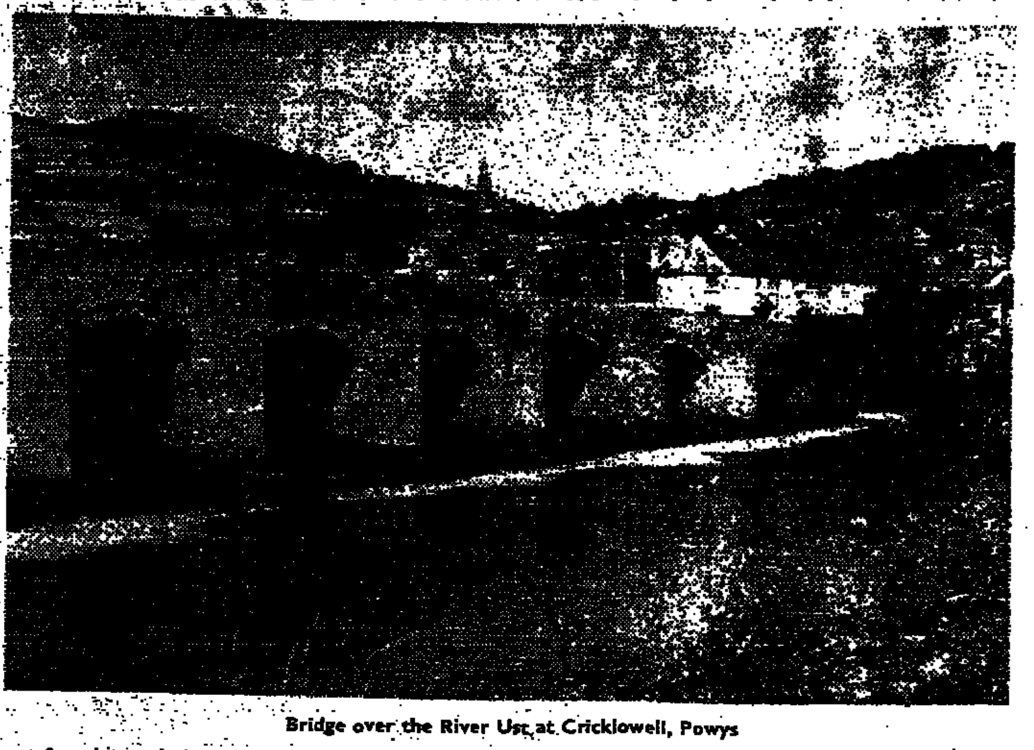
A third route captures the best of both worlds, but means putting the car keys aside and taking to the hills by foot. The 176 miles long Offa's Dyke Path runs from the North Wales coast to Chepstow in the south. It takes a straighter line than the border between the two countries and follows, for much of its route, the original Offa's Dyke. The dyke is a defence system against the Welsh, built probably in the late 18th-century by Offa, king of Mercia and controller of southern England.

These are not, of course, true exclusive options and a mixture of the three is probably the best bet. Certainly the Path can be picked up at many places en route and used only for its most scenic stretches, or when the weather is favourable. You will need a good guide book, however, for the path is often difficult to follow, and even now, nearly 14 years after its official opening, the subject of much dispute.

Outside the peak weekends of summer even the busier towns of the Marches are pleasantly quiet by today's standards. Hay-on-Wye, a market town which in recent years has been high-jacked by the second hand book trade; Ludlow, an astonishingly well preserved small English fortress town which still has that air of cosy security which must once have been its essential attraction in more stormy times; Shrewsbury, whose clothing industry grew fat on Welsh wool and left magnificent timbered buildings as a legacy (and where, thank heavens, the planners send the passing trade whizzing round a by-pass which provokes giddiness with a profusion of round-a-bouts); and Llangollen, if you avoid the Eistedfodd in July, a dour little place with towering hills and a racing river.

It is possible to see the whole area in a week, if you believe that the black-timbered, white plastered buildings of the borders are best seen as a monochrome blur through the windows of a fast driven car. A fortnight is much preferable, at least then you have a little time for diversions.

One such is the working farm museum at Acton Scott, a short drive from the Victorian resort town of Church Stretton. If you are fortunate enough to get one of the only two guest rooms at the Kings Arms, run by Mr and Mrs Mackechnie, you can be fortified by one of their breakfasts and be at Acton Scott in a few minutes to see just how our forebears survived in their rural lifestyle a century or more ago.



Bridge over the River Usk at Crickowell, Powys

For all the problems of farming then, and earlier, the striking point about the Marches for any first time visitor is its patent historic prosperity. From the time of the Marcher Lords the discipline that they provided kept the land peaceful and fruitful. The plump houses of traders over the centuries were not the type of property likely to have been built by anyone who expected his garden to become a battle ground at any moment.

Perhaps that prosperity has slipped a little for the Marches today do not offer rich pickings for the sybaritic gourmet. With the notable exception of the Bodysgallen Hall just outside Llandudno this is particularly true of the northern end, and Wales. If you have gastronomic bent you may wish to plan your tour on a north to south basis, which is the reverse to the normal practice I am told, that way you will end up among the more lavish tables of Hereford and Gloucestershire.

The one Michelin rosette on route is at Malvern, an area which offers British scenery at its beaucolic best. The award has gone to the Croque-en-bouche, and for once the three main guides, including Ronay and the Good Food Guide, agree. The Croque-en-bouche is, however, only open in the evenings (except Sundays), but this provides an excellent excuse to stay at the Cottage-in-the-Wood, a charming little hotel with wonderful views across the Severn valley. The dilemma is that the Cottage boasts no mean restaurant itself, so you might have to spoil yourself and stay two nights to sample both.

Earlier wanderers along the borders had less trouble finding accommodation—providing they had friends among the aristocracy. The Marches are littered with what we may regard as architectural wonders, but are really the detritus of a lively past—castles. There are castles at Cadicot and Chepstow, Crickhowell and Croft, at Llangollen and Ludlow, at Monmouth and Mongomery as well as Raglan and Ruthin.

If you are feeling fit, trudge up the long steep hill that takes you to the ruins of the castle above Llangollen and, looking over the valley for whose defence or subjugation it was built, think of the clash of cultures that has long determined the nature of these borders—a clash which exists still today.

At the other end of the map, and the other end of the cultural gulf, pause in the village of Weobley, where Hereford once harboured its witches. It is a pristine little rural retreat today, where the black and white cottages speak of comfort and centuries of peace. The very peace that the castle were built to provide.

● The best guide to the area is A Guide to Offa's Dyke Path, written by Christopher John Wright, Constable (£5.95), which is remarkably informative, even if you are exploring the Marches by car. Today's frontier disputes mean that official help to someone who wants to explore both sides of the border is bound up with red tape. The Heart of England Tourist Board, P.O. Box 15, Worcester, will tell you about the English side. The Welsh Tourist Board, P.O. Box 151, Llandaff, Cardiff will tell you about Wales.

MOTORING

These boots were made for driving

BY STUART MARSHALL

EVERYONE is into boots again. After a period when the hatchback was triumphant, at least in the small to medium size range, the three box (bonnet, body and boot) saloon is back.

Ford's Orion came on the market last autumn; Fiat's Regata reached Britain last week; and BL's booted Maestro, the Montego, is less than a month away. Not all the car makers were seduced into hatchbacks. BMW and Mercedes stood aside and are doubtless glad of it. With hindsight, Rover would not have made its big 3500 a hatchback without the option. Will Renault regret its vaguely Sierra-style tail end on the new 25?

While the utility of a tailgate is beyond argument, a fixed back window and a boot does seem to make a car quieter as well as adding to its length, which makes a converted hatchback move up half a class.

The Fiat Regata (and the soon to arrive VW Jetta) are good examples. The Regata 85 Super I have been driving provides the kind of comfort and performance that went with 2-litre and over saloons only a few years ago. It is good for a little over 100 mph, whispers along the motorway and tall gearing makes it very economical. The official 30.1 mpg (urban), 52.3 mpg (steady 56 mph) and 39.2 mpg (steady 75 mph) figures suggest an average consumption in the high 30s to low 40s, providing there are not too many cold starts. The choke on my test car had to be left out for the first mile if the engine was not to stall.

Even greater economy is possible with the Regata 70 ES Comfort, which has a device to cut out the engine after a two second delay when the clutch is disengaged and the car is at rest and in neutral. The urban figure improves to 38.2 mpg though the steady speed consumptions are hardly different. Declutching restarts the engine automatically.

Fiat, encouraged by the success of the Car of the Year Award winning Uno, is confident that the Regata will make its mark in the "D" segment of the market for cars around 14 ft long with engines of 1.3 to 1.6 litres. This accounts for nearly 30 per cent of all sales and more than half of the cars in it are bought by companies. Ford and Vauxhall with the Orion, Sierra, and Cavalier have made the running, with the Talbot Solara and Renault 18 tagging along behind. Hungry for fleet business, Fiat has priced the Regata most competitively. The 4-speed 70 Comfort is £4,990, and the top-of-the-range Regata 100 Super costs £6,490. In between are the economy special 70 Comfort ES (£5,350), 85 Comfort (£5,490), the 85 Super I have been driving (£5,880) and its automatic version is £6,289. No doubt Austin-Rover's computer is digesting these figures; they will be hard to beat with the Montego.

Fiat's front-wheel drive, four-door Regata saloon is based on the Strada and replaces the 131 Mirafiori

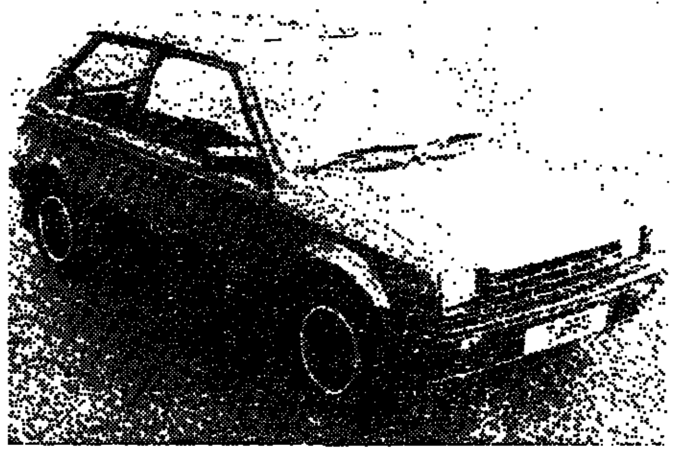
The sheer value for money of the £5,880 Regata 85 Super is clear when you look at the specification. Standard equipment includes electric front windows, central door and bootlid locking, electronic servo-controlled heating and ventilation and an electronic safety check system. To raise or lower the temperature, increase or decrease the airflow, you touch the end of a button on the fascia and LED displays light up to show that the servo mechanism is doing its work. It's all very civilised; and full marks to Fiat for having right-hand-drive wipers on a right-hand-drive car. The rake-adjustable steering wheel, provided throughout the range, lets a tall driver sit comfortably and see the instruments clearly. The driving position is excellent, as is the layout of the minor controls. The Super models also have tinted glass as standard.

The Regata is replacing the 131 Mirafiori, one of Fiat's less-charismatic products, with a similar mechanical layout to the old Cortina. Regata's engines are of 1.3 litres capacity in the 70 Comfort and ES; 1.5 litres in the 85 Super automatic — the only one available with two pedals; and 1.6 litres in the 85 Comfort, Super and 100 Super, though the last one has a twin-camshaft head, 100 bhp output and a top speed of 112 mph.

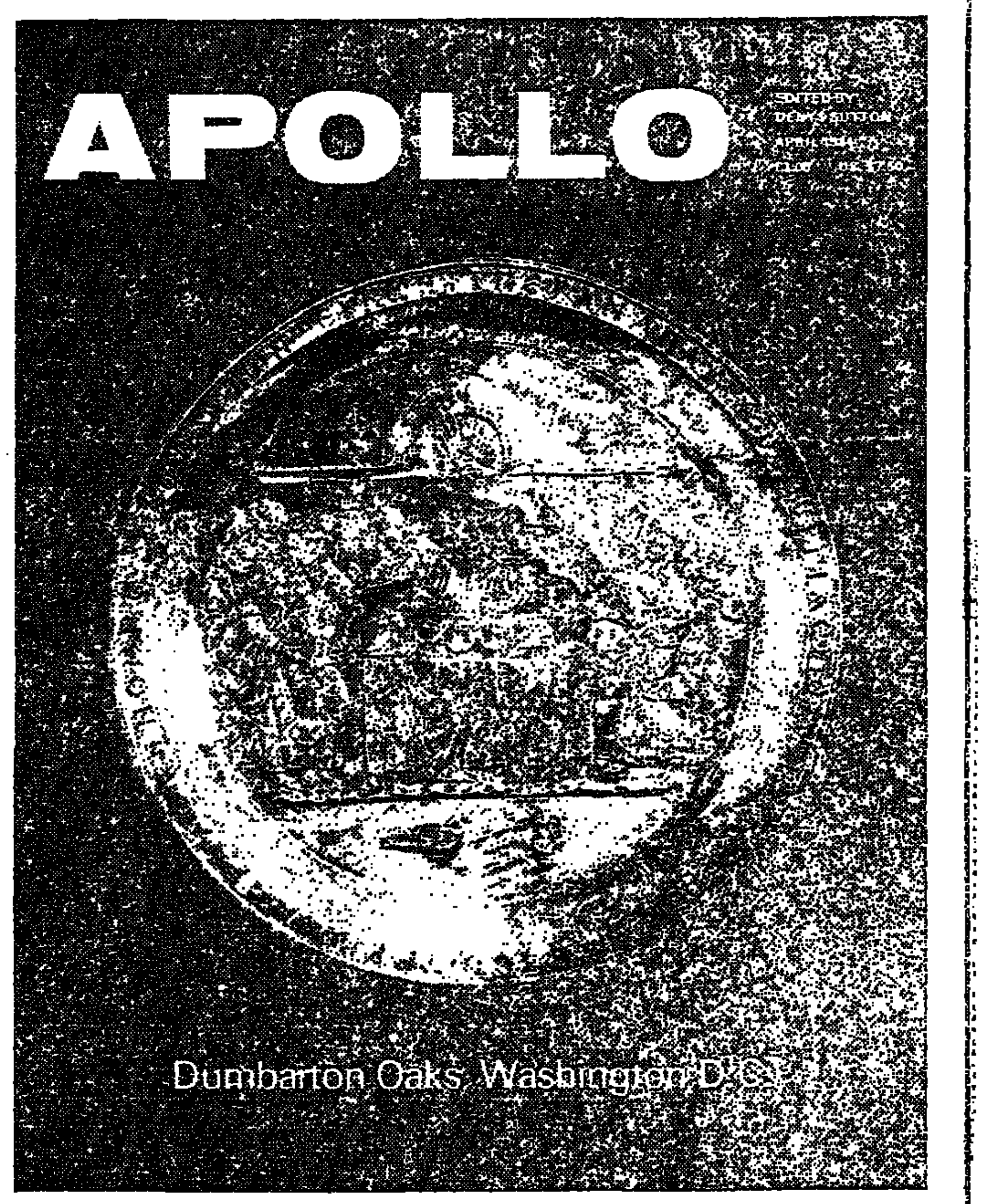
The styling is sharp with a hint of sobriety. The Regata is not ultra slippery — a drag figure of 0.37 is claimed for the standard models, 0.35 for the ES — but the less-than-acutely-sloped windscreen gives commanding visibility over the drooping bonnet. There is ample headroom front and back, the seats are plumply supportive, and the carefully colour-matched interior trim makes a good impression.

Big bump-resisting body shields at front and rear are complemented by sensibly sized plastic protectors along the doors. The wheel discs look attractive and seem to have been made with automatic car washes in mind. Like all Fiats, the Regata is covered by a six-year anti-corrosion warranty.

The smallest turbo



After the world's smallest diesel—the world's smallest turbo. The Daihatsu Charade Turbo, with 30 per cent more power from its one-litre, three-cylinder engine than the standard petrol-engined car, tops 100 mph and costs £4,999. In spite of the peppy performance, 35-40 mpg economy should be possible, providing there isn't too heavy a foot on the accelerator. Three or five-door models are available, with sporty red and black interiors and an electrically-operated steel sliding roof offered as a £200 extra.



BOOKS

When all roads led to Edmund Gosse

BY ANTHONY CURTIS

Edmund Gosse: A Literary Landscape
by Ann Thwaite. Secker & Warburg. £15.00. 567 pages

When Tennyson died in 1892 Edmund Gosse was 43. He was a civil servant, employed by the Board of Trade as a translator, and a man of letters, author of several volumes of verse, biographies of Gray and Congreve, and a dozen or so books of essays on aspects of literature. Gosse attended Tennyson's funeral in Westminster Abbey, and was afterwards contemptuous of the way it had been reported in the press. The papers had painted a picture of "horny hands dashing away the tear, seamstresses holding 'the little green volumes' to their faces to hide their agitation." Gosse thought all this was sentimental nonsense and said so in an article he wrote for the New Review:

> Poetry is not a democratic art. We are constantly being told by the flexible scribes who live to flatter the multitude that the truest poetry is that which speaks to the million, that moves the great heart of the masses. In his private consciousness no one knows better than the lettered man who writes such sentences that they are not true.

Someone who wholeheartedly agreed was the novelist of working-class life, George Gissing; he wrote to Gosse, whom he had never met, to tell him so: "I am pretty well assured that, whatever civilising agency may be at work among the democracy poetry is not one of them." Gissing soon received a reply from Gosse:

> I greatly value the letter which you have had the kindness to send me. It confirms in the most authoritative manner an impression I had formed more by intuition than by experience.
>
> May I venture to say with how much interest and sympathy I follow your career and read your powerful and mournful studies of life. With sincere thanks for your valued letter.

The mixture of pomposity, flattery, candour and insight in this letter is typical of Gosse; but if the tone was ingratiating, it meant a lot to Gissing who was feeling very isolated and depressed at the time. It was this same approach that won Gosse hundreds of friends among prominent people in the worlds of literature, politics and society during his long lifetime.

You will not find any reference to the Gosse-Gissing exchange in Ann Thwaite's excellent book, *Edmund Gosse: A Literary Landscape*. This is not, I suspect, because she is ignorant of it, but because she has adopted a deliberate policy of exclusion. Gosse's life was too full of people and correspondence for it all to be set down. "Students of, for instance, Clement Shorter, James Fitzmaurice Kelly, Evelyn Baring (Lord Cromer) Gordon Bottomley, J. G. Frazer, J. H. Shorthouse, Maurice Hewlett or Frederic Harrison may look in vain for any light on Gosse's relations with them. I can only apologise and plead lack of space." A pity but there it is. No reader, surely, would wish this book, good as it is, to have been any longer.

What Mrs Thwaite does do with great thoroughness and knowledge is to deal with all the main people and controversies in Gosse's life in turn. She quashes once and for all, the suggestion, emanating from Texas, that Gosse was wittingly a party to the many first edition forgeries perpetrated by that arch-rogue Thomas J. Wise. It is quite true, as is made clear in the recent new edition by Nicolas Barker and John Collins of Carter and Pollard's *An Enquiry into the Nature of Certain Nineteenth Century Pamphlets*. (Scolar Press two volume set £65), that Gosse was an eager, hungry fly trapped in the web of Wise's net. Wise appealed to Gosse's bibliographical vanity and induced him to edit the posthumous Swinburne material over which Wise acquired a complete stranglehold. This was Wise's master-stroke, providing him with an eminently respectable cover for his nefarious operations. But, as Mrs Thwaite puts it, Gosse "had been in fact a dupe, gulled by someone cleverer than he was, a sort of literary cuckold; one might say, taken advantage of at every turn."

Where Gosse was highly vulnerable was over matters of accuracy in literary study. He wished to be thought of not just as a good reviewer and essayist, but as a great scholar too, able to hold his own among the professionals. He intrigued successfully to get himself appointed Clark Lecturer at Cambridge and was for a while styled Professor Gosse. In 1884 he delivered his utterances on *From Shakespeare to Pope: an enquiry into the causes and phenomena of the rise of classical poetry in England*. It was when they were published in book form the following year that Gosse received his come-uppance. This came in the form of a long, savage review pointing out innumerable errors in this work by John Churton Collins, an embittered scholar and former friend of Gosse. The review set in train a great scandal which in spite of consolatory letters from Henry James among others left permanent wounds, and from which Gosse's reputation never fully recovered.

But Gosse's career was not permanently halted; he bounced back, continued to publish books, to sit on committees, to win friends and influence people, particularly after he had been appointed chief reviewer on the Sunday Times. His friends included such worthies as the Bensons, Thomas Hardy, Viscount Haldane, Asquith and Andre Gidé (to name but a few). In 1904 he became the Librarian of the House of Lords, which released him from the toils of translation. Gosse asked a peer he knew if he thought there would be any time to do his own work and received the reply, "I doubt if there will be much else to do."

Mrs Thwaite switches us deftly from Gosse's public career to his equally interesting private and family life. Here she covers some of the ground trodden by Gosse himself in *Father and Son*, his moving but also hilarious account of his upbringing among the Brethren by his fanatically puritanical parent, P. H. Gosse, a well-known Victorian botanist. She shows how Edmund Gosse trimmed the facts in his masterpiece to gain his effects. Then there is his long successful marriage to Nellie Epps, the daughter of a leading London surgeon. Nellie was a "new woman," an artist, an intellectual and she became the mainstay of Gosse's life. She bore him a son and two daughters.

Before his marriage Gosse had met a young sculptor, Hamo Thornycroft at the Eppses. Gosse, Mrs Thwaite explains, became devoted to Hamo with an intensity he felt about none of his other male friends. Asked if Gosse was a homosexual, Lytton Strachey quipped: "No, but he was a Hamosexual."

Riverside Scene: Algernon Swinburne taking his great new friend Gosse to see Gabriel Rossetti, 1916—Max Beerbohm's drawing

When Gosse died in 1928 aged 79, T. S. Eliot wrote: "The place that Sir Edmund Gosse filled in the literary and social life of London is one that no one can ever fill again because it is, so to speak, an office that has been abolished." But has it? There are still plenty of manipulators around though no one admittedly with the grandiose energy and penetration of Gosse. Mrs Thwaite has done noble service to our knowledge of literary life in England at the close of the 19th and in the first part of the 20th century by writing this book which among its other virtues has a particularly good index.

Fiction

Rebecca's son

BY MARTIN SEYMOUR-SMITH

Heritage
by Anthony West. Secker & Warburg. £8.95. 309 pages

Scorched Earth
by Edward Fenton. Sinclair Browne. £7.95. 216 pages

Behaving Badly
by Catherine Heath. Cape. £7.95. 234 pages

The Camomile Lawn
by Mary Wesley. Macmillan. £8.95. 287 pages

Anthony West, son of Rebecca West and H. G. Wells, published *Heritage* in America in 1955; but he was unable to publish it in this country until after the death of his mother. He tells us about his very unhappy relations with Rebecca West in his introduction to this edition: her "leading passions," he writes, were "money, malice and meddling," and she was "treacherous and dishonest" at least in her dealings with him. He is right, as I and many others know well, in his assertion that she told all and sundry that he was "an utter rotter."

Whatever the rights and wrongs of this sad story may be, the introduction is dignified and pitched at exactly the right level—it would be a cold reader who had no sympathy for Anthony West's predicament, or who did not understand why he has felt impelled to add this introduction to a novel written when he was half his present age (he was born in 1914).

From the partial portrait of his father in *Heritage* anyone may see that our knowledge of H. G. Wells, that remarkable and continually misunderstood man, cannot be complete until we have the biography of him by Anthony West which was actually announced as being in progress more than 40 years ago, but which his mother effectively prevented him from publishing . . . *Heritage*, among many other good things, causes us to plead for it.

But *roman à clef* though it is, this book cannot be judged as an autobiography, or in the light of a feud that was horrible for both parties, and that was unnecessary: it was caused by Rebecca West's in many ways understandable failure to come to terms with her feelings towards Wells, and by her jealousy of his creative achievement, which was so much greater than her own (a somewhat suspect although by no means insignificant one). Suffice it to say that although West was, as he says, "angry" when he wrote *Heritage*, the portrait he gives in it of his mother is a genial, sympathetic and in certain respects even loving one.

Heritage is the first-person narrative of the early life, from childhood until the age of about 25, of Richard Savage (also, and not accidentally, the name of the poet whom Dr Johnson represented as destroyed by his mother), illegitimate son of the famous writer Max Town and the equally famous actress Naomi Savage. In essence—the "key" apart—this is a *Bildungsroman*, and a very touching and beautifully observed one. It will make the reader sad that the author has not written more novels than the three to his name.

This one contains pictures of Stowe School and of London life in the 1920s and early 1930s that could hardly be bettered for sensitivity and accuracy; the youthful love life of the narrator is handled with great aplomb, and the character of his young German mistress, who becomes a Nazi, is infinitely poignant.

Max Town and his variously preposterous or, in one case, perspicuous female companions are presented with an instructive good humour. The portrait of Naomi Savage, Rebecca West (who was once an actress) to the life or not, is unforgettable. *Heritage* is an outstanding novel, containing unobtrusively penetrating psychology and an almost Proustian sense of the past; a splendid achievement more than welcome to these shores, late or not.

Edward Fenton is a 24-year-old Londoner whose *Scorched Earth* has won the second Sinclair Prize for Fiction: this is offered by Sinclair Research for an unpublished novel which combines literary quality with "social relevance." *Scorched Earth* is a comic work, but the social relevance here is of a distressingly obvious sort: unemployment. It tells the story of 10 days in the lives of four unemployed young people in London. It is not strikingly original, but is inventive, well done, and well written.

Behaving Badly is Catherine Heath's fifth, best and most sublimely titled book. Bridget Mayor's husband Mark leaves her for a younger woman after 20 years of marriage: he says that their life has been boring and suburban. For five years she behaved "splendidly" Then she decided to "behave badly." The result, as the author describes it, is ironic, witty, funny, and very sad. This is an example of fiction "behaving well," and we should be grateful for it. It will be an odd reader who fails to enjoy it. The tone is just right: as Francis King said of an earlier book, it is told with "cherishable grit."

Rebecca West (back row centre) with classmates, Edinburgh 1905

Mary Wesley's second novel begins when five especially youthful cousins meet in Cornwall in the summer of 1939. It is extraordinarily accomplished and fast-moving; even when the style becomes a trifle facile—this does not happen too often—abundance of energy more than compensates for it. This is the malicious but simultaneously compassionate story of young people getting in and out of bed against a background of austere war-time London and contrastingly quiet Cornwall. It is plotted with great deftness and intelligence, and superbly matches the lovely Christopher Wood painting which some inspired person has chosen to illustrate the dust-jacket.

Dice roll in New Jersey

BY JOHN GRAHAM

The Atlantic City Gamble: A Twentieth Century Fund Report
by George Sternlieb and James Hughes. Harvard University Press. £14. 215 pages

Ever since Damon Runyon set many of his more felonious tales there more than half a century ago, New Jersey in general and Atlantic City in particular have been in decline. The American Dream had come and gone, and all that was left, decade after decade, was New Jersey's "commendably consistent reputation for political corruption."

Then in 1976 gambling was legalised, and in 1978 the first casino opened its jaws. The anti-gambling lobby—CND, for *Casinos, No Dice*—had finally failed: despite organising for the evils of gambling to be preached one Sunday morning from 3,000 Protestant pulpits. Gambling was hailed as the modern magic wand; providing jobs, improving housing, creating wealth, generating business: in short, bringing back the Dream. The community in Atlantic City was united, probably for the first and last time.

Of course, everybody was to be carefully vetted and the whole casebook virtuously regulated. Organised criminals were not going to be let in: definitely not. What? In New Jersey?

First in was Bahamas-based Resorts International, a "controversial" casino operator, notable in financing the pro-gambling campaign. Resorts enjoyed a monopoly for a year, recovering their investment within two months and made nearly $250m in that first year.

So far so good. The Dream appeared to be in fine mid-season form, not unconnected with the fact that 50m people live within a three-hour drive of Atlantic City. Various other American states are looking into the possibilities of legalised casinos, so the authors of this report decided to look more closely at the business. What they have found is that almost no virtuous predictions have come true. The Dream is truly American: populist in conception; selective in practice.

Casino operators have made a packet of money; Atlantic City's poor have not; they may even have lost part of what little they had. There has been a real estate boom, to be sure, but this has not helped people who do not own houses. New businesses have started up . . . and closed down. "Serious crime" statistics have risen through the roof. Some crime is believed to be "organised." So-called "links" have been reported between the casinos and local politicians, even policemen, if we are to believe the authors of this report.

But maybe the authors hail from some other State, and have had it in for New Jersey ever since Frank Sinatra was born in Hoboken, N.J. "Always get a local boy to do this sort of investigation," is what they say in Atlantic City, then you won't go wrong.

Epic man

BY ROBIN LANE FOX

The Aeneid of Virgil
translated by Robert Fitzgerald. Harvill Press. £12.50. 402 pages

Virgil was born in 70 B.C., a shy, retiring man who was never at ease in the urban bustle of Rome. His life saw the revolution which ended the Roman republic and involved thousands in war and oppression, caused by the ambitions of its leading men.

These sufferings were not lost on Virgil. The first poem of his first collection was a cold presentation of the miseries of rural re-settlement, the work of the young Octavian and his fellow dynasts. This awareness of the loss and suffering in conquest and civilisation ran through Virgil's last work, his *Aeneid*.

When he died in 19 B.C., aged 50, he had seen the young Octavian become the emperor Augustus. He had not grown into the court poet whom Augustus might have expected. Great contemporary themes still stirred him, the rise of "eternal Rome," the relation of Rome to Italy, the triumph of Roman arms throughout the world. But his epic was a mythical *Aeneid* whose hero, Aeneas, brought suffering and destruction on those around him. It saw two sides to the first Romans' achievement and expressed them in poetry whose pathos, rhythm and variations of style have never been excelled. Through the Christian Latin culture of the Middle Ages, Virgil became the poet of all Europe in a way that his only superior, Homer, never equalled.

In our own age, he has continued to be seen through distorting mirrors, a fate which had already turned his genius into legend through so many previous centuries. He has been belittled as a prig and misread as a propagandist. Where Virgil saw two sides, his readers have seen only one: we have had Virgil the philosopher, the plagiarist, the clumsy mishandler of human nature, the champion of duty and the poet of redemption through toil and suffering. Perhaps nobody has ever been sure of the exact balance between his humanity and sense of pathos and his respect for prowess in war. He is a Roman, but not the Roman of too many history books.

The noblest translation is Dryden's but nowadays Dryden himself needs translation for the idle or the innocent. I hope that in 20 years' time we will be looking back and deploring the devastation which the attempted murder of classical education nearly wrought on our language, our sensitivities and our souls. When first Latin, then Greek return to boot out "Classical studies," there will be spontaneous bonfires of the Penguin translations of classical poets. Cart-loads of Rieu's prose Homer and Jackson Knight's prose Virgil will be burnt each October, on the anniversary of Virgil's birth.

Until then, there is an intermediate need for a clear, fast-moving translation of Virgil into verse. Day Lewis was too pedestrian; the earlier translators are too contorted. Virgil's use of the hexameter is one of the marvels of human sensitivity, yet cannot be reproduced. The rhetoric and the nobility have to be renounced. Instead, we might hope for a rapid and readable versification of the plot which will encourage us to read to the end. Classics graduates, even classics teachers, have a way of knowing parts of the *Aeneid*, but not the whole.

The merit of Robert Fitzgerald's new Virgil is that it moves fast and realises this worthwhile aim. It is not particularly notable poetry, but it is realistic in what it has chosen to jettison. How can anyone translate Virgil's changes of style and rhythm, his brilliant allusions to other classical poets, his archaism, his extraordinary turns of syntax, his controlled rhetoric, his word-order? The *Aeneid* has the linguistic depth of *The Waste Land*, yet none of Eliot's obscurity of reference and content.

Robert Fitzgerald chooses a short, varying line which rules out any sonority and misses the noble flow of a Virgilian phrase across the ending of a hexameter. Instead, he contrives a certain speed and vigour which enabled me to read rapidly through several boks at a sitting. Some of his set pieces are better than others: Book VIII and the scenes in early Rome sustain their tone, whereas Aeneas's tales of his wanderings in Books II and III are spoiled by some gross incongruities. "Where's the crux, Panthus?" says Aeneas, during Troy's capture; he "cinches his harness" and "gives offing to the west." Spears are "rifled," shields "hefted." If Fortune is a "bitch," Odysseus is a source of "shady rumours." I am picking examples at random. Robert Fitzgerald has given us a readable *Aeneid*, but not a Virgilian one.

Crimes

BY WILLIAM WEAVER

The Mortician's Birthday Party
by Peter Whalley. Macmillan, £6.50, 189 pages

Second novel by a distinctly promising author. The dim mortician of the title makes an unusual and successful protagonist (successful, that is, from a literary point of view, not as a murderer). The corpus delicti is disposed of in an original, if particularly gruesome fashion; and the denouement is satisfactorily just and ironic. Towards the end there is a bit too much explanation, which slows the finale. But, all in all, this is an enjoyable and persuasive job.

Gunner Kelly by Anthony Price. Gollancz, £7.95, 219 pages

This latest book in the Col. Butler and Dr Audley series is a good deal more concise and convincing than some of its recent, elaborate predecessors. The adventure is still complex and unlike anything in more conventional crime fiction, but it is easy to follow the tense action. At the very beginning, Price's rush to exposition leads him to write some painfully crammed, long sentences (try the second paragraph on page 2 as a sample); but then, when the story is launched, the prose becomes spare and graceful and pleasant to read.

When the Fish Begin to Smell
by Matthew Heald Cooper. Gollancz, £7.95. 224 pages

A mixture of fact and fiction. The story centres around the Katyn forest massacre and its political implications, which are exploited many years later. The narration, however, is so over-blown that the actual events—fascinating in themselves—are more obscured than illustrated. Too complicated by half.

Pontiff in danger

BY JAMES BUXTON

The Time of the Assassins
by Claire Sterling. Angus and Robertson, £7.95, 264 pages

The Plot to Kill the Pope
by Paul Henze. Croom Helm, £9.95, 216 pages

There's no mystery like an Italian mystery for things that never quite add up. That goes, *par excellence*, for the attempted assassination of Pope John Paul II on May 13 1981; even though the intended victim was Polish, his would-be assassin Turkish and, if these books are to be believed, the instigator of the outrage was the Kremlin, operating through the Bulgarian secret service.

The initial theory, as the Pope narrowly recovered from his wounds, was that he was shot by a fanatical Turkish right-wing terrorist out of atavistic loathing for Christianity. It didn't make much sense, but then in a crazy world what does? Many people accepted the theory for lack of an alternative. Governments seemed to accept it because any alternative that involved the Soviet Union had almost unthinkable implications.

But the Italian investigation continued after the trial, in which the Turk, Mehmet Ali Agca, was swiftly despatched to life imprisonment. The authors of both these books, Claire Sterling, a journalist specialising in terrorism, and Paul Henze, a former U.S. "government official," persevered, too in Turkey, Bulgaria, West Germany, Italy and elsewhere.

Between them they pieced together a connection between the Bulgarian secret service, Agca, and what Henze calls "a motley mixture of seemingly disparate elements; Turkish Mafia tycoons, petty smugglers, profit seekers, corrupted and deceived political rightists, probably a few misguided leftists as well." Agca had been trained by Soviet surrogates in terrorism, had spent time in Bulgaria, received fairly large sums of money, and toured Europe widely; apparently aimlessly, but without money worries.

Claire Sterling first claimed a Bulgarian connection in a magazine article in September 1982. By that time Agca had begun to talk to the Italians, and in November of that year Judge Ilario Martella, the investigating magistrate, ordered the arrest of Sergei Antonov, head of Bulgarian Airlines in Rome, on charges of complicity in a plot to kill the Pope. Two other Bulgarian officials whom Judge Martella also accused had left Italy shortly before. Antonov is still being held, as a typically slow Italian investigation continues. His trial should finally take place in the next few months.

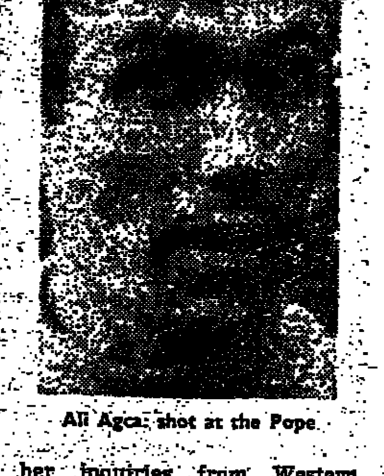
Both these books start from the premise that the Soviet Union was behind the plot to kill the Pope. The Soviets, they both argue, had good reason to wish to remove the Pope as one of the inspirations of the Solidarity movement, then in revolt in Poland. Cardinal Stephan Wyszynski, Poland's most influential figure, was dying of cancer at the same time as the assassination attempt. The deaths of the two prelates, one after another, would probably have taken the heart out of Solidarity.

But, not wishing to do the deed themselves, the Russians followed what we are told is regular practice, and farmed the work out to the Bulgarians, who, through their ample contacts with the Turkish underground, had an assassin who could put forward a faintly plausible pretext. The idea, presumably, was that he would escape from the scene of the assassination, be "sprung" from jail later, or be shot by a shadowy accomplice in St Peter's Square immediately after the assassination.

Even granted that secret services do things in unusually roundabout ways, the fact that the plot, if it was one, failed, hardly aids the conspiracy theory. Agca was grabbed by a splendidly tenacious nun who held on to him until police arrived. He was never sprung from prison and, most difficult to explain of all, his three alleged Bulgarian accomplices stayed on in Rome for more than a year. When they did start to go they left only Antonov, the only one with no diplomatic immunity and therefore arrestable.

Until the trial takes place no one can say how good the evidence against Antonov (most of which apparently came from Agca) actually is. It may well not be conclusive. Henze, at the end of an analytical but readable book, can only say that: "historical, inferential, circumstantial and solid factual evidence—all point in the same direction . . . towards Moscow." He believes further evidence will eventually surface from Soviet bloc defectors.

The very absence of firm proof is one good reason why Western governments have not wanted to beard the Eastern bloc with the accusation. Claire Sterling, in a sometimes irritatingly excitable and personal story, makes much of the obstruction she says she met in her inquiries from Western governments, especially that of the U.S.—but not everyone who has investigated the story echoes this experience, and the West seems to have much to gain from keeping the investigation going. Even Italy, which, as Claire Sterling demonstrated in another book, has usually disliked facing up to the implications of Soviet involvement in terrorism.



Ali Agca: shot at the Pope

It is unlikely that cast-iron proof will ever be found, but, ironically, in the confused logic of espionage, that is another point in favour of the theory that it was a Soviet plot.

Island story

74 Days. An Islander's Diary of the Falklands Occupation
by John Smith. Century, £10.95.

Considering that the blood spilled in the Falklands conflict was in the name of the islanders, little attention has been paid to them in the abundant literature on the war. John Smith's diary provides some balance.

Mr Smith had a grandstand view of the final battles around Stanley, and his unpretentious observations leave little doubt of the devastating effect of British shelling, and of cold and hunger on the Argentine conscripts, who seem the most hapless of all those involved.

ROBERT GRAHAM

HOW TO SPEND IT

by Lucia van der Post

Safe and Sound

IT'S BEEN fashionable to remark in the past few years that burglary and crime were among the few growth industries to be found in recessionary Britain. Now that the rest of the economy seems to be recovering come reports that the figures for burglary and crime are slightly down.

Encouraging though this may seem at first glance it shouldn't be taken as an indication that any of us can relax over our own domestic security. All the statistics show that most burglaries are casual ones, under-taken by opportunists looking for easy pickings. Everybody is agreed that the serious criminal, making careful plans to rob a particular house or object, is hard to stop but the vast majority of casual burglaries can often be deflected in quite simple ways.

Most of the advice given by the police comes into the category of common-sense—don't leave milk bottles and newspapers piling up on the doorstep; make it as difficult as possible to break in by fitting mortice locks or bolts to outside doors and locks on windows; don't advertise your absence, so use devices like programmed time switches and ask a neighbour to draw and undraw curtains.

Every police station will happily send round a trained Crime Prevention Officer who will discuss your security problems completely free of charge. However, if you decide an alarm system is what you need, then you really must do quite a bit of research first. Most insurance companies require a system to be installed by a company that is on the Approved Roll on the National Supervisory Council for Intruder Alarms—this restricts your choice of installer and as David Rogerson points out an excellent book on the subject of home security* "Many insurance companies have strong leanings towards the big alarm companies and an aversion towards the small local installer." This can, unfortunately, mean that many householders feel they are required, as a price for getting any insurance at all, to install systems that are more elaborate and more expensive than they need be.

My advice is that if you do find a local installer who you believe to be good then you should persist with your insurance company—the savings, both in the installation fee and the subsequent maintenance fees, can be quite large. David Rogerson recommends that you get at least three different installers to quote first.

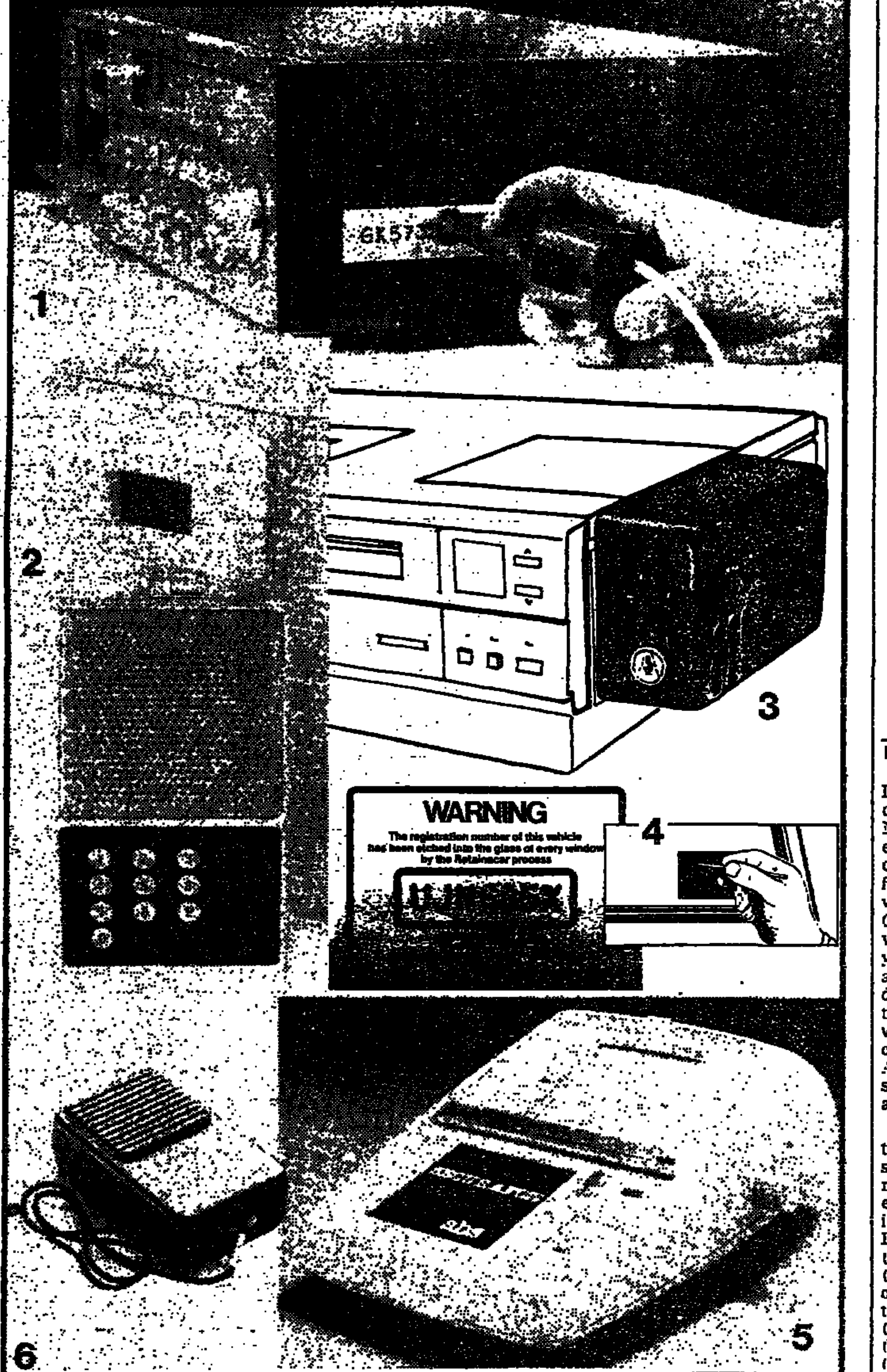
Whatever system you do choose should be installed in accordance with the current British Standard Specification.

There are also a growing number of DIY systems on the market and many of these offer extraordinary value for money but the very large number makes it difficult to choose the right one. Which? last did a report on these in February 1981 and though there are now more systems available that report gave valuable background advice on how to choose.

Finally, remember the alarm system can only be effective if you operate it properly so make sure you and everybody else in the house really understands how it works and uses it each and every time the house is left empty.

For those who either have an alarm system already or don't think they need one, featured below are just a few of the many smaller security devices currently on the market.

** Make Your Home Secure by David Rogerson, published by David and Charles, £5.95.*



Drawings by Michael Daley

1

ONE of the chief problems with stolen property is that it isn't always easily identifiable. Valuable pictures, china or furniture may well be but many of the most frequently stolen pieces—video cassette recorders, television sets and the like—tend to look very much the same.

A Huddersfield company has come up with a way round the problem. It calls the scheme the Guardmark Computerised Property Protection service and it offers subscribers an exclusive code number, which with the aid of the Guardmark kit, is then engraved onto all the most valuable items. Visible engraving is recommended for ordinary consumer durables while for antiques and china an invisible ultra-violet marker is available.

The code number, subscriber's name and address are all logged into the company's central computer data bank and, thereafter, only police forces, in the event of a theft, have access to this information.

The system is relatively new but does offer a means of identifying property in a definitive way. For further details write to Guardmark, Security House, 18 New North Parade, Huddersfield, W. Yorks. For £9.95 it offers the engraving kit and one year's computer cover while for £24.50 you get the engraving kit plus five year's computer cover.

2

MOST burglars who break into a house without careful planning head straight for the master bedroom (where they hope to find the jewellery) or the living room (where most valuable china, ornaments, pictures and the like are usually kept). Therefore for some houses a single stand-alone intruder alarm can be a useful burglar deterrent.

Superswitch has just introduced a device which can be placed anywhere. Its great advantage is that it is simple to buy and install—you just place it in position and punch in your chosen code. Once set (which should be done when you leave the house empty or on going to bed) it is activated by moving heat (ie the intruder) at which point it emits the usual fearsome noise until it is turned off.

Called the Intruder Alarm, it is going into electrical retailers and large department stores at the end of next month when it will cost about £120.

3

VIDEO cassette recorders are, according to statistics, one of the most popular properties with the underworld set—they are portable, valuable and easily disposed of, one video cassette recorder looking much like another. They seem to be almost the first thing the thief goes for.

So if you want to protect your video, or any other valuable item like a hi-fi, television set or a computer, the Video-Alert is a new device which can be attached to any of these objects.

Basically it is an alarm which reacts when it detects any movement of the object to which it is fitted. It responds immediately with an ear-piercing 98-decibel siren. Once it has been triggered it emits the noise for two minutes, at which time it will automatically reset and rearm itself. If the equipment continues to be disturbed this pattern will be repeated for up to eight hours. Obviously, it can be deactivated by using a security key at any time.

Powered by two Duracell MN 1604 batteries (which, on average, are enough for about one year's usage), the Video-Alert costs £35 (including VAT, *batteries and p+p*).

Available by mail order only from Alert Products, 32, Hotchkiss Way, Binley Industrial Estate, Coventry CV3 2RL, West Midlands.

4

THERE IS nothing more irritating than a stolen car — though you will probably get some of your money back eventually, the resulting inconvenience and annoyance is considerable. Becoming increasingly popular is the idea of etching your car's registration number onto all of your windows. This means that any professional car thief would not only have to respray the car, change the number plates but would also have to change all the windows, adding some £100 plus to the cost of the theft — enough to deter in many cases.

Retainacar is a company that specialises in selling kits which enable you to etch your registration number onto your car windows yourself. For just £6.90 (which invludes VAT and postage and packing) it supplies six stencils (ie, enough for six windows): all the fluid and brushes you require. The process is simple enough — you place the stencil in position, paint over the fluid, leave for *1½ to 2 mins and then peel* away the stencil.

To order your own stencil kit write to 198 St Ann's Hill, London SW18 2RT.

5

WE, in our household, have had several nasty experiences with telephone bills. There were the homesick au pair girls who had to ring Finland, Austria, or worst of all, Peru, from time to time and not always with our consent and then there were the two years when our teenage son had a girlfriend in Mississippi, so though we never actually resorted to devices to lock up the 'phone this was more because of inertia than anything else.

The Securafon device was designed chiefly with offices in mind but I see it as being very useful for those houses with over enthusiastic telephone users about. Basically, it is a device attached to the telephone which only allows those numbers which have been programmed into it, to be used. Up to 220 telephone numbers, each with as many as 16 digits long, can be programmed into it and no other numbers can then be dialled through it.

There is a lockable plate which guards the key-pad onto which the "approved" numbers may be tapped, so that the 220 maximum can be switched around by whoever holds the key to the plate.

The Securafon takes all incoming calls, is approved by British Telecom, and costs £59.95. Buy it from Micro Equipment Centres at 69 Royal Hospital Road, London S.W.3, and 18 Brock Street, Bath.

6

PIFCO'S Mini Attack Alarm is designed to fit in a pocket or handbag and its chief function is to deter would-be attackers by the loud piercing noise it emits when the key cord is pulled—a very useful device for those who have to walk alone at night. It has a wrist-strap so that it can be worn on the wrist at the ready. It measures just 3¾ ins by 2½ ins by 2½ ins and costs £3.95. Find it at Harrods of Knightsbridge (who will post it by mail for £1.05 extra) or from V and M Taylor of 46 Cheapside, London EC2. Readers who have difficulty in finding a stockist can write direct to Pifco's Sales Department at Failsworth, Manchester M35 0HS.

Serve, set and match

ONCE upon a time sets of china, just like sets of everything else, used to match exactly. Each plate was just like every other one. Cups reflected the same design, though due to the different shape it was usually slightly differently arranged, the same with the saucers and so it went on. As designers have become more clever at producing integrated patterns and colourways, so it has made the task of choosing new sets infinitely more rewarding.

The trend was led in recent years by the American-based company of Fitz & Floyd but nowadays many more companies are taking it up.

The most recent collection to tone and inter-relate without matching exactly is the Designer Collection of china recently introduced by Federated Potteries.

Photographed here are just two of the collection. Above is Fireball, designed by the Roy Midwinter Studio. Rather Japanese-like in style it features bold combinations of black and red and white—red or black cups or mugs may be chosen to go with the strongly patterned black, red and white plates, saucers and bowls. Prices are about £2.75 for a dinner plate, £2.25 for a cup and saucer and £1.75 for a bowl.

Above right, are two charming, gentle collections designed by Ingrid Berger. Central Park at the back features soft trees and shrubs, fences and birds, in autumnal colours like rust and green, while Confetti, in the front, features similar colours in a random dot pattern, so the two sets could happily be mixed and matched at will. Prices are about £2 for a dinner plate, £1.80 for a teacup and saucer and £2.50 for a milk jug.

Find them in good china departments like Harvey Nichols of Knightsbridge, London SW1, and the House of Fraser stores. If you have trouble tracking down a local stockist write to Federated Potteries, Lambert Street, Tunstall, Stoke-on-Trent, Staffs.

THOUGH the craze for cocktails has been with us for some time now it is only in recent months that it has become possible for all the necessary equipment to be bought at reasonable prices in high street shops up and down the country. Until lately it had been the preserve of rather exclusive upmarket shops charging rather fancy prices.

WL Housewares, always a company that has an eye out for the useful gadget that it can produce as well as and more cheaply than its rivals, found that there was a need for a complete range of cocktail-making equipment and accessories that came in handy packages at attractive prices. Ever ready to oblige it has produced the sets for almost every aspect of cocktail making.

From sets of glasses, steel shakers, parasols, bendable straws, through to individual, sought-after items like those photographed below right.

The ice-crusher, with an encased cutting mechanism and a non-slip base, comes in white and black and costs £5.50. The ice bucket is £10.99, complete with a set of stainless-steel ice tongs.

The heart-shaped ice cubes tray (cocktail-drinkers, its research tells them, are romantics) comes in bright red, makes 10 heart-shaped cubes and costs just £1.49. In the background are just some of the glasses WL Housewares also sells.

Find the range in major kitchen departments in stores up and down the country.

Photographed bottom left is some of the new merchandise currently enlivening Life-style departments in selected House of Fraser stores (such as D. H. Evans in London)—ideal as presents for those who are just beginning to live away from home, the Hi-ball glasses are 85p, the whisky glasses 70p. The cheerful ties and bow ties come in bright colours on a translucent background.

CHESS

LEONARD BARDEN

LAST MONTH'S Commonwealth championship, sponsored by Novag in Hong Kong, proved easily the strongest and most credible event of its kind. The first Commonwealth tournament was staged at Balliol College, Oxford, in 1951 but then there was a gap of more than 30 years as the logistics of assembling a far-flung entry defeated all organisers. After the establishment of a Commonwealth Chess Association, the championship was revived in Australia in 1983, although some strong countries were still absent.

The latest tournament was a true title contest by any yardstick; all major Commonwealth nations were represented in the entry of 32, and the field included three grandmasters. Leading results were Spraggett (Canada) and Chandler (England/New Zealand) 8½ out of 11, Spraggett winning the title on tie-break; Speelman (England) and Murshed (Bangladesh) 8, Ivanov (Canada) and Aaron (India) 7, Rogers and Johansen (both Australia) and Keene (England) 6½. Murshed achieved a grandmaster result and, at age 17, took over from Nigel Short as the world's youngest player with a GM norm.

Whatever the human performances, the entry which stole the show was sponsor Novag's Super-Constellation micro-computer which will be launched in the UK this autumn. Super-C is an improved version of the already marketed Constellation model. It scored 4/11 in the championship with a grading performance about 190 (2120 on the international rating scale). At blitz chess (7 minutes on the clock for each player) it was even better and, taking on 29 of its tournament rivals, defeated 18 of them. The grandmasters all beat it, but Super-C's blitz victims included Australia's top men Johansen and Rogers as well as the Indian Thipsay who led last year's British Championship for several rounds.

This result marks a significant break-through for micro-computers whose progress rate was slowing down. Current models are generally in the 140-150 grading range and some manufacturers have appeared reluctant in recent years to test them under tournament conditions where performances could be accurately monitored. But a 190 performance by a home computer, if confirmed by further similar results, implies that its program adapted to a large industrial computer could approach master strength.

Novag will again sponsor the next Commonwealth championship, a £20,000 event to be staged in London in February 1985. Meantime, Super-Constellation's British debut is awaited with interest. This was its most impressive game in Hong Kong: a surprise piece sacrifice in the opening puts Black under pressure, and Super-C keeps ahead with periodic bursts of tactics.

White: S. Rosalie (Seychelles). Black: Novag Super-Constellation.

Giuoco Piano (Commonwealth championship, Hong Kong 1984).

1 P-K4, P-K4; 2 N-KB3, N-QB3; 3 B-B4, B-B4; 4 P-B3, N-B3; 5 P-Q3, P-Q4; 6 PxP, NxP; 7 Q-N3.

The natural try to refute Black's 5...P-Q4, but by hindsight 7 O-O and 8 R-K1 is better.

7...O-O! 8 BxN, N-R4.

Now if 8 Q-R4, QxB; 9 QxN, BxP ch and QxQ; or 8 BxP ch, RxB; 9 Q-B2, N-B3 (or even B-KB4) with active play for the pawn.

9 Q-B2, QxB; 10 P-QN4, B-B4; 11 PxB, BxP; 12 Q-R4, N-B5.

The computer is a knight down, but White's exposed king is useful compensation. White's next is a losing blunder; he should try 13 B-K3.

13 R-N1? BxN; 14 RxB, Q-K5 ch; 15 B-K3, QxR ch; 16 K-K2, Q-N7 ch; 17 N-Q2, NxB; 18 R-N1, N-Q4!

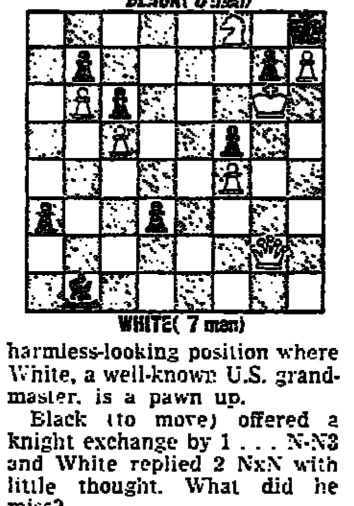
Another coup which liquidates into a won ending.

19 RxQ, NxP ch; 20 K-B3, NxQ; 21 RxP, NxP; 22 RxBP, N-K3; 23 R-N7, P-B4; R-K7, KR-K1; 25 R-N7, P-K5 ch; 26 K-K2, N-B5 ch; 27 K-B1 and White resigned, for 27...QR-N1 will soon force mate.

POSITION No. 510

Benko v. Hartman, Hamar (Norway) international 1984. The current issue of the British Chess Magazine quotes this

BLACK (8 men)



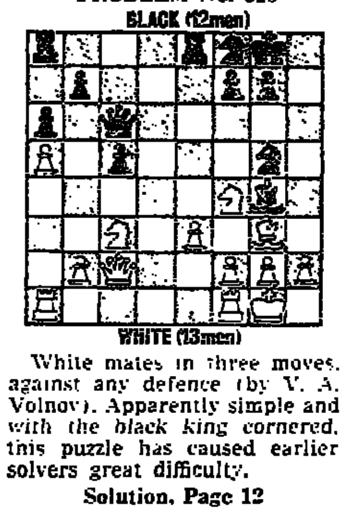
WHITE (7 men)

harmless-looking position where White, a well-known U.S. grandmaster, is a pawn up.

Black (to move) offered a knight exchange by 1 . . . N-N3 and White replied 2 NxN with little thought. What did he miss?

PROBLEM No. 510

BLACK (12men)



WHITE (13men)

White mates in three moves, against any defence (by V. A. Volnov). Apparently simple and *with the black king cornered,* this puzzle has caused earlier solvers great difficulty.

Solution, Page 12

BRIDGE

E. P. C. COTTER

BOTH MY example hands today come from important pairs events. In the first one I was North, when East dealt at game to East-West:

N
♠ K 9 4 2
♡ A K 7
◇ J 5 4 3 2
♣ A

W
♠ J 6 5 4 3
♡ 5 3 2
◇ A 7 6
♣ J 6 2

E
♠ Q 10 7
♡ Q J 9 6 4
◇ —
♣ K 10 8 5 4

S
♠ A 8
♡ 10 8
◇ K Q 10 9 8
♣ Q 9 7 3

East passed, my partner opened the bidding with one diamond, and I replied with two hearts. This is the force of control—it shows where the strength lies—two spades is, in my opinion, a very poor response. South rebid three diamonds, and without more ado I jumped to six diamonds, which became the final contract.

West led the diamond six, a well-chosen openings, East threw the six of hearts, and the declarer won in hand. Undoubtedly the best line is to cash the Ace of clubs and the Ace and King of both major suits, and then crossruff one's way home. Unfortunately, my partner, whose dummy play is usually impeccable, played too quickly and returned a trump. West won, and led a third trump, and now South was in trouble if the club King did not fall in three rounds.

At trick four the declarer cashed the club Ace, crossed to his Ace of spades, and ruffed a club on the table. He cashed the spade King, ruffed a spade in hand and a club in dummy, but the King of clubs did not appear.

All the ingredients of a double squeeze were present, and if South had been in his own hand, the last trump would have forced each defender down to two hearts. But the lead was on the table, and South had to lead the nine of spades and ruff in hand. This destroyed the double squeeze, but it would operate an automatic squeeze on East in hearts and clubs, provided that West had no heart higher than the seven. As this was the case, the heart seven became my partner's 12th trick.

The next hand is of more recent vintage:

N
♠ Q 5 4
♡ A K 6
◇ 7 6 3
♣ K J 10 6

W
♠ 6 3 2
♡ Q J
◇ K Q 10 9 8 2
♣ A Q

E
♠ K 10 9 8 7
♡ 10 9 8 5 2
◇ J
♣ 8 5

S
♠ A J
♡ 7 4 3
◇ A 5 4
♣ 9 7 4 3 2

East dealt with East-West vulnerable, and after two passes West bid one diamond, North doubled, East said one spade, and South bid one no trump. West rebid two diamonds, which was passed up to South, and he said three clubs, which concluded the auction.

Winning West's diamond King, South led a club, and when West rose with his Ace, was careful to unblock with dummy's ten. West cashed two diamonds, and switched to the six of spades, which ran to the Knave. The declarer led another club, and was happy to see West produce the Queen. He won with dummy's King, cashed the Knave, and came to hand by overtaking the six with the nine.

In the five-card ending dummy held ♠ Q 5 and ♡ A K 6, East held ♠ K 10 and ♡ 10 9 8, while South held ♠ A, ♡ 7 4 3, and ♣ 7. When the declarer played his last trump, discarding the heart six from the table, East was caught in a crisscross squeeze. If he threw the spade ten, South would cash the Ace of spades, and cross to dummy to enjoy two hearts and the spade Queen; if he threw a heart, South would cash dummy's two hearts, and return to his Ace of spades to make the seven of hearts.

It is remarkable to find the rare crisscross squeeze in a part score contract.

THE ARTS

Gielgud at 80

The Ages of Gielgud edited by Ronald Harwood. Hodder and Stoughton. £3.95. 182 pages

Sir John Gielgud

This generously-illustrated *Festschrift*, compiled by Ronald Harwood to celebrate Sir John Gielgud's 80th birthday, contains tributes from 15 of his admirers in immensely heart-warming unanimity. They come from sources that range the spectrum of the theatre

There are reminiscences by the great players who have worked with him, by directors, producers and writers. (I was sorry not to find a film writer among them: Gielgud's performance in *Providence* is among the greatest things he has done). There is a long critical essay by Sir Harold Hobson (born 1904), and one by Michael Coveney (born 1949). These offerings by his friends and his admirers crystallise all that is splendid about Gielgud.

There are the eccentricities, of course. As a director, he changes his mind every five minutes. Terence Rattigan, a bit depressed during rehearsals for *Variation on a Theme*, told me when I asked about this: "All he does is turn his back on the players and correct their intonations, so it doesn't make much difference." Then there are the notorious gaffes — the "gielgudies," as Emlyn Williams calls them. Mr Williams has tabulated seven classic gielgudies (one of which turns up elsewhere in a different incarnation). Let me add, since it is not in this book, Donald Sinden's report of Sir John's advice when asked for his opinion about Benedick, whom Mr Sinden proposed to play not as an intrinsically comic character but as an inspirer of comedy in others. "Oh yes," Gielgud said, "he can be a terrible bore. I'm sure you'll do him tremendously well."

But the golden virtues are always there: his natural leadership among his colleagues: his respect for beliefs that he does not share; his willingness to conform (as he did in the rehearsals of Peter Brook's production of *Oedipus*) to unfamiliar and possibly embarrassing exercises. The younger players in that production feared that Gielgud might be old-fashioned; but one of the extraordinary things about him is his instinctive up-to-dateness; in *Providence*, for instance, and in *Veterans* at the Royal Court. I remember him in a television interview with Ken Tynan in which a tape was played of one of his earlier performances. "Terribly old-fashioned, of course," Gielgud said with a modest smile. But at any given moment, he is never old-fashioned. He is not for an age, but for all time.

B. A. YOUNG

Picasso—the final years

The Picasso show currently at the Guggenheim Museum in New York was originally assembled for the Grey Gallery at New York University. Though respected for imaginative and important shows, the Grey was never meant to compete with uptown museums. The show finally demanded the Guggenheim as the Grey could not afford insurance costs of more than US$25,000. Meanwhile, the last decade of Picasso's life underwent a quick reassessment as excitement built for Professor Gert Schiff's selection for *Picasso: The Last Years 1963-1973*.

By including only a cursory look at works after 1963, the Museum of Modern Arts Picasso retrospective three years ago provoked instant judgments that this show had to live down. It was weighed down with labels like "Baroque" for Picasso's versions of older masters and with the easy assumption that Picasso was trying to ward off death by being prolific. There were also dignified sniggers at Picasso's overt interest in sexuality and titillation.

It may be true that he wanted to empty himself. There were days in which he did three paintings. He dated each work precisely in order to make himself available to future researchers should a science of genius ever be formulated. Such ambitions would raise any curator's legitimate concern as the artist replaces a censoring eye with self-indulgence for the sake of historical record.

Some of the paintings reflect a self-conscious, if not jaundiced, outlook with a strong element of caricature: the windmill hats on Rembrandt subjects, powdered wigs on Musketeers.

Speed alone makes Picasso somewhat offhanded. He seems to imitate his nemesis, the camera, in recording a quick succession of impressions: a series, for instance where a painter stares at a nude and becomes a king surrounded by a court who join him in dispassionate assessment of the subject, stripped of her secrets but not of her mystery; Rembrandt's etching of a woman squatting in the road is turned into an uninhibited, childishly explicit—and rarely seen—painting called *La Pisseuse*.

In replacing "the lamp" of classical art with "the mirror" of the romantics, Picasso shares the king's right to have a woman undress before him. This privilege bares an old man's sexuality in a brutal admission of childish fantasies.

Picasso talked about women, but he drew "nudes." He makes the distinction very clear. Women in his paintings "contained everything of woman and yet would not look like anything known about her." Nudes, on the other hand, would yield everything in a single attribute: "I don't want to do a nude as a nude. I want only to say breast, say foot, say hand or belly. To find the way to say it —that's enough. One look and the nude tells you what she is, without verbiage."

A detail from "Musketeer"

The sexuality of the paintings picks up where Picasso's war themes left off. Women pervade other subjects, appearing naked in Rembrandt scenes as well as in the long series of etchings where artists or kings stare at naked women. Picasso turned from carnage to carnality with a series painted in late 1962 and early 1963 for the Salon de Mai, marking the end of his periodic preoccupation with war. Invited to submit work related to Delacroix's *Entry of the Crusaders into Constantinople*, Picasso chose instead to base his contribution on Poussin's *Rape of the Sabines*.

Picasso's *Rape of the Sabines* series culminates in the work with which this show begins. Two soldiers preoccupied with the touch of their weapons take up two-thirds of the canvas surrounded by the symbols of their civilisation, while a mother and infant are trampled under foot.

With one hiatus in 1965 for a prostate operation, Picasso concentrated on personal work for the rest of his life. The skull self-portrait he painted the year before he died was a final sign of living out his last years on canvas. Its grey pallor and scribbled-in jaw and shoulders show death reflect mortality in knowing wide eyes and bitten lips. The pink halo falls off the shoulders into a shroud as the portrait stares out at death.

FRANK LIPSIUS

All that jazz

Nowadays most jazz albums, certainly those claiming any pertinent contemporary or historical worth, are released by small, independent labels run on tightrope budgets by devoted enthusiasts, some employed outside the music, who prefer to put their spare cash into the insane, financially unrewarding jazz record business in preference to investing on the Stock Exchange.

Generally in Britain today these unrepentant jazz nutcases either set up their own recording sessions or buy unreleased material and package it for release or else reissue old recordings. The Edinburgh-based Hep label does all three and ten years after its creation boasts a multi-faceted, constantly surprising catalogue. One of the latest additions introduces the sadly obscure American saxist Don Lanphere who explains the reasons for his absence from the scene on the sleeve note for *Don Lanphere Quintet from Out of Nowhere* (Hep 2019).

The LP itself is a finely conceived session, with plenty of variation in tunes and imaginative touches; such as Lanphere playing soprano-sax with drums only, piano and drum interjections behind sax and trumpet on the faintly disguised "Cherokee," unison passages and unobjectionable use of multi-recording.

Also from the same label is the second volume of the recording made by Buddy De Franco in Buenos Aires in 1980 (the first was reviewed here in August 1982). On *Mood Indigo* (Hep 2018) the clarinettist has the same rhythm section on four familiar standards. As on the earlier release De Franco is in forceful form and the Argentinian accompanists do not disappoint, though once again the programming does, with everyone having lengthy solos more or less in the same order every tune.

Within a comparatively few years Mole Jazz has become one of the most enterprising jazz businesses in London, especially as far as the enlightened development of its record label is concerned. To hand is one in the Mole series of reissues which, frankly, cannot be counted an inspired choice. "Mulligan's Music" and "At the Royal Festival Hall—1955" (Mono Mole 9) features the Stan Kenton-styled band of devout Kenton disciple Vic Lewis.

From this distance the interpretations by the crisp, well-drilled 16-piece British outfit sound somewhat effete in comparison with the volatility inherent in the Kenton band of that time. Here are 16 compositions, nine by Gerry Mulligan, others by Shorty Rogers, tightly arranged by, among others, Johnny Keating. The tracks are short and there is little scope for anything but the briefest of solos within the framework of the arrangements, even at the Festival Hall concert. For big band nostalgists the interest lies in the lively solos from, among others, Tubby Hayes, unusually on baritone-sax as well as tenor, plus fellow reedman Brian Gray and Ronnie Chamberlain.

After many years with major record companies John Dankworth decided to go it alone with his own label from which one of the recent LPs features with his own label from which one of the recent LPs features Dankworth exclusively on clarinet teamed with keyboardist/composer from the pop world, Rod Argent. Each contributes four compositions to *Metro* (Sepia RSR 2013), and all reflect a variety of moods and styles as well as providing some interesting rhythmic ideas.

One of Argent's contributions is a characterless funk/fusion piece, "Bad Talk," complete with anonymous vocal backing. When he turns to acoustic piano, as on "No 1" he comes closest to being a jazzer. JD's clarinet playing is always pleasurable even if not exactly rooted in the jazz idiom. As often happens with Dankworth albums these days one enjoys and admires the compositions rather than the actual execution. For the jazz listener punch and vitality are missing.

Punch and vitality are two qualities singer Litsa Davies has in huge handfuls as anyone seeing her perform in front of the massed forces of the National Youth Jazz Orchestra will know. *Why Don't They Write Songs Like This Any More?* (NYJO 002) finds her singing 12 titles by Bill Ashton (NYJO's musical director), Alec Gould and Pete Aitkin among others. Though she handles the belting tunes with complete confidence she delivers the ballads with sure taste and understanding. The band gives its usual excellent support and there are several short but weighty solos. Playing time is over 45 minutes and all the lyrics are printed on the inside cover.—Whatever the price, excellent value.

RECORDS

KEVIN HENRIQUES

Robert Cohen

The young cellist Robert Cohen has an urbane concert presence, civilised and most agreeably sympathetic without ever seeming too dangerously forthright or inviting. His cello tone is honey-gold, evenly coloured, without much depth or variety, rather predictable; the impact of his recital at the Wigmore Hall on Thursday was genially and unremittingly bland.

He gave the two main works of his programme, Debussy's and Prokofiev's single cello sonatas, with studied care and with a certain easy charm—but there was more gush and sparkling smile in them than closely focused perception, more "effectiveness" than eloquence

Cohen also played Alfredo Piatti's arrangement for cello of Locatelli's violin sonata op 3 No. 6—fun, but a lot less fun than the original (dubious on paper, the translation even sounds a dubious exercise). Bruch's *Kol Nidrei* would have benefited from a little more expressive schmaltz, and rather less self-consciously preening tone-production. His piano accompanist Geoffrey Parsons was as ever a model of stiff, unimaginative good manners.

DOMINIC GILL

Kellaway on the Park

BY KEVIN HENRIQUES

During his sojourn in London in 1979-80, American pianist Roger Kellaway hooked the ears of many unsuspecting listeners, mostly in sessions at Pizza Express, Dean Street, with his surprising, slightly quirky style which draws upon diverse sources. An investigation of Kellaway's career, which began in the late 1950s, provides some explanation for his compelling, attractive playing, which has been entrancing customers for the past fortnight in the sympathetic ambience of Pizza on the Park at Hyde Park Corner. He closes tonight.

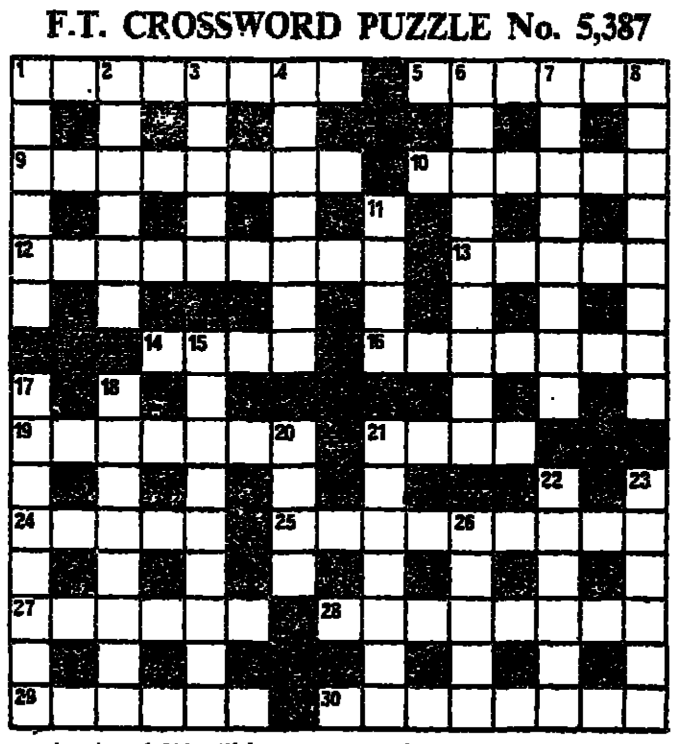
Kellaway's multi-faceted work, outside the jazz orbit, encompasses writing a ballet for Balanchine, classical music including a cello quartet, music for films, TV series as well as arranging, producing and conducting on albums for other artists. Maybe this is the reason his powerful and positive jazz playing has not become as widely known this side of the Atlantic as it most certainly should. His two sets the other evening were at times thrilling in their conception and at all times chock-full of variations and references guaranteed to rivet listeners' attention.

His opening exploration, a deeply probing one on "You took advantage of me," began at an unaccustomed tempo and not until he had fully examined most of the possibilities of the material did he slip into the familiar speed. A similar treatment was applied to "Here's that rainy day" which was deliciously served up. Not so engaging was the opening composition of his second set, a somewhat lugubrious foray into the semi-classical world more usually inhabited by the widely acclaimed Keith Jarrett. The repeated figures and strong whiff of unconvincing (in this context) impressionism induced impatience in at least two ringside listeners.

Admittedly this was followed by a rip-roaring excursion into boogie-woogie land, yet another section of the wide territory Roger Kellaway invades with alacrity.

Apart from his solo spots he was joined for some amiable duets by local pianist Colin Purbrook, one of the highlights of which was a fresh look at "Blue Monk," with Kellaway laying down dissonances the composer would have enjoyed hugely. In his own immensely enjoyable solo features Purbrook wisely opted to balance his companion's imposing keyboard virtuosity with some beautifully executed ballads such as "Lush life" and "My one and only love."

F.T. CROSSWORD PUZZLE No. 5,387



A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....

A glance down the sides of the puzzle, taking each across solution in order, will enable you to write in the solutions to 14 and 21 across when the others are solved.

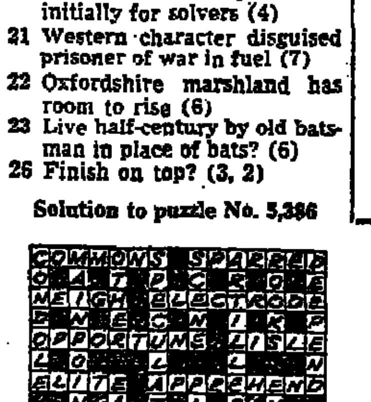
ACROSS

1 Naturally it make one drown (2, 6)
5 Nobleman loses right to form reistance (6)
9 Thinker alternatively in 29 across (8)
10 Well done in Latin and Maths—when theatre's open? (6)
12 Stuffing would be unkind to do on a vegetarian (9)
13 Ship the poet wanted, anyway (2, 3)
14 See preamble (4)
16 Pitch well rendered round stomach (7)
19 Unsteady beast in improper property (7)
21 See preamble (4)
24 Brown bread for health (5)
25 Where a nut is wanted, take away the flowers (9)
27 Giving assistance to first-class row with note (6)
28 Old form of herb, or timber overhead—or court debtor with money (8 or 4, 4)
29 Believer in model robbery (6)
30 It was mad in Wonderland and revolting in Boston (3, 5)

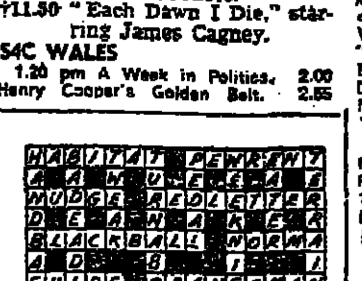
DOWN

1 Tell of tiny disturbance (6)
2 Sailing barge to wander within reason (6)
3 Cord in cheek? (5)
4 Place of cockney altar? (4, 3)
6 Pitch makes snake stop with hesitation (9)
7 Indignant at being lifted like a baby? (2, 2, 4)
8 One way to make saint handle pony (8)
11 Attempt with a knife? (4)
15 Further shades of meaning—obvious ones? (9)
17 Meal in origin suggests National Gallery? (5, 3)
18 Bestride river in Cotswold stone (8)
20 Year of unlikely results initially for solvers (4)
21 Western character disguised prisoner of war in fuel (7)
22 Oxfordshire marshland has room to rise (6)
23 Live half-century by old batsman in place of bats? (6)
26 Finish on top? (3, 2)

Solution to puzzle No. 5,386



SOLUTION AND WINNERS OF PUZZLE No. 5,381



A. E. Lawrence, Newton Lodge, College Road, Soham, Cambs.

Mrs W. M. Morrison, 21 Monkwood Court, Kilgraston Road, Edinburgh.

Mrs B. Hunter, 80 Dernier Road, Tonbridge, Kent.

† Indicates programme in black and white

BBC 1

6.20-8.25 am Open University. 8.35 Scooby and Scrappy Doo (cartoons). 9.00 Saturday Superstore. 12.12 pm Weather.
12.15 Grandstand, including 12.50 News: Football Focus (12.20); Motor racing (1.15, 2.10 2.45) The South African Grand Prix from Kyalami Racing from Ascot (1.55, 2.30, 3.10); Shooting (3.00, 3.20) Report on The Diners Club International Sporting Seven; Boxing (4.15) Best of the action from last night's Greg Steene promotion at Watford; Ski-ing (3.55) Reports from the French Alps on the World Cup finals for acrobatic skiers; Final Score (4.35)
5.05 Anything Goes.
5.45 News.
5.55 Regional Variations (see below).
6.00 Some Mothers Do 'Ave 'Em.
6.30 The Laughter Show.
7.05 The Action Film: "Five Card Stud," starring Dean Martin, Robert Mitchum and Roddy McDowall.
8.45 News and Sport.
9.00 Driving Ambition.
9.50 Wogan.
10.40 Match of the Day.
11.30 Late Night Horror Film: "Zoltan . . . Hound of Dracula."

REGIONAL VARIATIONS:
WALES—5.55-6.00 pm Sports News Wales.
SCOTLAND — 5.55 - 6.00 pm Scoreboard. 10.40-11.30 Sportscene.
NORTHERN IRELAND—4.55-5.05 pm Northern Ireland results (opt-out from Grandstand). 5.55-6.00 Northern Ireland News. 12.55 am Northern Ireland News Headlines.
ENGLAND—5.55-6.00 pm London — Sport; South-West (Plymouth) — Spotlight Sport: All other English Regions—Sport/Regional news.

BBC 2

6.25 am-3.10 pm Open University.
†3.15 Saturday Cinema: (1) "Primrose Path," starring Ginger Rogers.
4.45 The Sky at Night.
5.05 Saturday Cinema: (2) "The First Travelling Saleslady," starring Ginger Rogers.
6.35 The World Chess Championship.
7.05 Rome and the Bounds of Empire.
7.30 News and Sport.
7.45 Masterclass. Paul Tortelier interprets Bach's No 5 in C minor for unaccompanied cello.
8.30 Rugby Special.
9.15 Grand Prix. The 1984 Formula One World Championship, the South African Grand Prix in Kyalami.
9.50 C. P. Snow's "Strangers and Brothers."
10.40 News on Two; Weather.
10.45-12.25 am "Chere Louise" (French film with English subtitles).

LONDON

6.25 TV-am Breakfast Programme. 9.25 LWT Information. 9.30 Sesame Street. 10.30 The Saturday Show.
12.00 World of Sport: 12.20 pm Canoeing—Lowenbrau Rapid Racing Championships from Bala, North Wales: 12.45 News: 12.50 On the Ball; 1.20 Darts—The Double Diamond Masters from Alexandra Palace, London: 1.35 Racing from Salisbury (introduced by Derek Thompson): 1.55 Darts from Alexandra Palace, London; 2.10 Racing from Salisbury; 2.25 Speed Skating—The World Short Track Championships—from Peterborough; 2.45 Racing from Salisbury; 3.00 Darts: 3.45 Half-Time Soccer Round-up; 4.00 Wrestling; 4.45 Results.
5.00 News.
5.05 Fraggle Rock.
5.35 Whiz Kids.
6.30 Child's Play.
7.00 The Price is Right.
8.00 "Smokey and the Bandit Ride Again," starring Burt Reynolds and Jackie Gleason.
9.45 News.
10.00 Home and Away.
11.00 London News Headlines, followed by The Irish RM.
12.00 9 to 5.
12.30 Profiles in Rock . . . Toto, followed by Night Thoughts.

CHANNEL 4

1.30 pm Mothers by Daughters.
†2.10 "Union Pacific," starring Barbara Stanwyck and Joel McCrea.
4.35 Mama Malone.
5.05 Brookside.
6.00 Ear Say including tribute to Marvin Gaye.
7.00 News Headlines, followed by Union World.
8.00 Seven Days.
8.30 Four American composers (Meredith Monk).
9.35 G.I. Brides.
10.50 Double Trouble.
†11.50 "Each Dawn I Die," starring James Cagney.

S4C WALES
1.20 pm A Week in Politics. 2.00 Henry Cooper's Golden Belt. 2.55 Rygbi Rhyngwladol. 4.35 Cartoon Carnival. 5.25 Yr Awr Fawr. 6.05 Island on the Edge of the World. 7.00 Where in the World. 7.30 Newyddion. 7.45 Mentrel Mentrel 8.15 Sion. 8.45 Arolwg. 9.15 Y Maes Chwarae. 10.05 G.I. Brides. 11.15 Feature film: "Conflict."

REGIONS

IBA Regions as London except at the following times:

ANGLIA
11.00 pm Film: "Triple Echo" starring Glenda Jackson and Oliver Reed. 12.40 am Recipe for Happiness.

BORDER
9.25 am Vicky the Viking. 9.50 Once Upon a Time—Man. 10.15 The Smurfs. 11.00 pm The Fugitive.

CENTRAL
9.25 am The Wonderful World of Professor Kitzel. 9.30 Sesame Street. 11.00 pm The Late Film: "The Triple Echo" starring Glenda Jackson and Oliver Reed.

CHANNEL
9.25 am Thunderbirds. 10.20 Puffin's Pla(i)ce. 12.14 pm Channel Islands Weather Summary. 5.05 Puffin's Pla(i)ce. 5.10 Fraggle Rock. 5.40 Whiz Kids. 11.00 Feature film.

GRAMPIAN
9.30 am Noddy. 9.45 The Smurfs. 10.10 Unicorn Tales. 11.00 pm Feature Film: "Gumshoe," starring Albert Finney and Billie Whitelaw. 12.25 am Reflections.

GRANADA
9.25 am Sesame Street. 10.20 Cartoon. 11.00 pm "Bullitt," starring Steve McQueen and Jacqueline Bisset. 1.00 am Portrait of a Legend (Alice Cooper).

HTV
9.25 am The Wonderful Stories of Professor Kitzel. 12.15 pm News. 11.00 The Sweeney.

SCOTTISH
9.25 am Heckle & Jeckle cartoon. 9.35 Happy Days. 10.00 The Flying Kiwi. 10.25 The Campbells Show. 10.00 pm Hotel. 11.00 Late Call. 11.05 Manhattan Transfer. 12.10 am 9 to 5.

TSW
9.25 am The Wonderful Stories of Professor Kitzel. 9.30 Fresh Prime. 10.27 Gus Honeybun's Magic Birthdays. 12.12 pm TSW Regional News. 5.05 Newsport. 5.10 Fraggle Rock. 5.40 Whiz Kids. 11.00 Feature film: "Melvin Purvis G-Man," starring Dale Robertson and Harris Yulin. 12.30 am Postscript.

TVS
9.25 am Snooper and Blabber. 9.35 The Smurfs. 10.00 Mork and Mindy. 12.12 pm TVS Weather. 11.00 "The Triple Echo" starring Glenda Jackson and Oliver Reed. 11.40 am Confidence.

TYNE TEES
9.25 am Morning Glory. 9.30 The Little House on the Prairie. 10.25 The Times. 12.12 pm North East News. 5.05 North East News. 5.10 Fraggle Rock. 5.40 Whiz Kids. 11.00 The Saturday Late Movie: "A Severed Head." 12.50 am Epilogue.

ULSTER
9.25 am Space 1999. 10.20 Cartoon Time. 12.48 pm Lunchtime News. 4.55 Ulster Sports Results. 5.03 Ulster News. 5.10 Fraggle Rock. 5.40 Whiz Kids. 6.00 The Entertainer "84" Gordon Burns hosts tonight's final of this year's Benson and Hedges Province Wide talent competition from the RUAS Members Room, Balmoral. 6.59 Ulster Weather. 11.00 The Adult Movie: "Smokey and the Bandit II," starring Burt Reynolds, Jackie Gleason, Dom DeLuise and Sally Field. 12.40 am News at Bedtime.

YORKSHIRE
9.25 am Regional Weather Forecast followed by Cartoon Time. 9.35 The Flying Kiwi. 10.00 University Challenge. 11.00 Pro-Celebrity Snooker. 11.45 Lou Grant.

BBC RADIO 1
(S) Stereo broadcast
6.00 am As Radio 2. 8.00 Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.00 pm Anne in Conversation (S). 2.00 Paul Gambaccini (S). 4.00 Saturday Live (S). 6.30 In Concert (S). 7.30 Janice Long. 10.00-12.00 Dixie Peach.

BBC RADIO 2
5.00 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm The News Huddlines. 1.30 Sport on 2: Football: Reports and second-half commentary from 3.55: Motor Racing: South African Grand Prix at Kyalami; Rugby Union: Commentary on Wales v Presidents XV at Cardiff; Racing from Salisbury at 2.15 and 2.40; Golf: A look ahead to next week's European Tour. 5.00 Sports Report. 5.50 Racing results. 5.55 Pools news and results. 6.00 Folk on 2 with Jim Lloyd. 7.00 Beat the Record. 7.30 A Gala Concert (S). 8.30-8.40 Foreigners. John Tompson looks at the British attitude to foreigners. 9.30 Big Band Special (S). 10.00 Sports Desk. 10.05 Saturday Rendezvous (S). 11.00 Saturday Night Out. 1.00 am Peter Dickson presents Nightride (S). 3.00-5.00 Wally Whyton with Country Concert (S).

BBC RADIO 3
6.55 am Weather. 7.00 News. 7.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.20 BBC Philharmonic Orchestra, part 1 (S). 12.00 Interval Reading. 12.05 pm Part 2. 1.00 News. 1.05 Albemi String Quartet (S). 2.00 Dreamers of Dreams (S). 4.00 Beethoven and Prokofiev (S). 4.50 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Pierre Charpentier. 7.00 Sour Sweet Somalis. 7.30 "Ariane et Barbe-Bleue," opera in three acts, music by Dukas, Act 1 (S). 8.50 Interval Reading. 9.10 Act 2 (S). 10.05 Petite Annals. 10.35 Lessons (S). 11.15-11.18 News.

BBC RADIO 4
7.00 am News. 7.10 On Your Farm. 7.45 In Perspective. 7.50 Down to Earth. 7.55 Weather; Travel; Programme News. 8.00 News. 8.10 Today's Papers. 8.15 Sport On 4. 8.45 Yesterday in Parliament. 8.57 Weather; Travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Pick of the Week (S). 11.20 From Our Own Correspondent. 12.00 News; Money Box. 12.27 pm I'm Sorry I Haven't a Clue (S). 12.55 Weather. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty-Minute Theatre. 2.35 Medicine Now. 3.05 Groundswell. 4.30 Does He Take Sugar? 5.00 Poet to Poet. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather; Travel; Programme News. 6.00 News; Sports Round-Up. 6.25 Desert Island Discs (S). 7.05 Stop The Week with Robert Robinson (S). 7.45 Baker's Dozen (S). 8.30 Saturday Night Theatre (S). 10.00 News. 10.15 A Word in Edgeways. 10.45 All The Lands. 11.00 Evening Service (S). 11.15 Coast to Coast. 11.30 Earwig (S). 12.00 News.

BBC RADIO LONDON
5.00 am As Radio 2. 6.30 London Today. 9.03 Inside London. 9.30 Corridors of Power: "On The Rates." 10.00 All that Jazz. 11.30 Robbie Vincent's Saturday Show. 2.00 pm Breakthrough. 3.30 The Great Composers. 6.30 Evening Star. 7.30 Hold the Front Page. 10.00 As Radio 2.

LONDON BROADCASTING
5.00 am AM with Peter Deeley. 10.00 Clive Bull's Phone-in. 1.00 pm Sportswatch with Jeff Stelling and Mike Porter. 9.00 Network: The Burrell Collection. A look at the "Priceless Collection" of Sir William Burrell. 10.00 Adrian Love's Nightline. 1.00 am Steve Allen's Night Extra.

CAPITAL RADIO
7.00 am The Breakfast Show. 10.00 Pick of the Pops—Take Two. 12.00 Love Song Saturday. 2.00 Afternoon Delight. 6.00 Gary Crowley's Magic Box. 7.00 Greg Edwards' Soul Spectrum. 9.00 Roots Rockers. 11.00 Foreign Affair. 12.00 Midnight Special.

CHESS SOLUTIONS

Solution to Position No. 510

1 ... N-N8; 2 NxN? QxP ch! 3 KxQ, B-B6 ch; 4 K-N1, N-R6 mate.

Solution to Problem No. 510

1 K-N5, if 1 ... B-B7; 2 Q-R1 (threat 3 N-N6), PxN; 3 Q-QR1. If 1 ... P-R7; 2 Q-KR2, P-N3; 3 Q-QN2. If 1 ... P-Q7; 2 N-B5, P-N3; 3 Q-QB3.

Legal Notices

No. 001237 of 1984
IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION
IN THE MATTER OF VIC HALLAM PLC AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that a Petition was presented to Her Majesty's High Court of Justice for the confirmation of a Scheme of Arrangement and the reduction of the capital of the above-named Company. [illegible]

AND NOTICE IS FURTHER GIVEN that [illegible]

Dated the 4th day of April 1984.

Solicitors for the said Company.

Educational

هكذا منها الكحل

The strange story of a Bordeaux 'black'

BY EDMUND PENNING-ROWSELL

ALMOST EVERYONE with a smattering of knowledge of the wines of France has heard of the "black wine of Cahors."

We here in Britain have a special reason for this, for just as we "invented" the word "claret," we probably also devised the "black wine" description—back in the 13th century when the English occupied the Haute-Guyenne and the wine was floated down the Lot and the Garonne and shipped to England from Bordeaux.

So-called because of its exceptionally deep colour, it was used by the Bordeaux merchants as a blending wine to improve the colour of their wines, particularly in poor vintage years.

Today the Cahors vinyard, which runs west from the town for about 28 miles, may be divided into two: part on the plateau, the *causses*, to the south of the river, and part in the valley where the stream pursues a particularly tortuous course.

It is thought nowadays that the "black wine" came from the first part, where the shallow soil of chalk and clay produced a very small but concentrated yield of wine, dark in colour. Today it is generally deep in colour, but this depends on the vintage and colour is not the first thing to be looked for.

They are full-bodied. With modern methods reasonable yields can be obtained on the plateau with vineyards 220 to 300 metres above sea level. In recent years, with the aid of massive mechanical equipment to clear away the rock and scrub, substantial new vineyards have been planted here: notably Ch Haut-Serre not far from Cahors itself on the eastern extremity of the delimited area, and Ch de Chambert at Floressas near the western edge of the department.

Both these formidable tasks have been undertaken by wine merchants from outside the immediate area who have confidence in the future of Cahors wine.

However the best vineyards lie in the river valley itself, situated on the terraces, mostly on the left bank, where the deep clay and gravel soil are very favourable for the vines. Before the phylloxera a hundred years ago, 40,000 ha were under vines, but today the delimited area for *appellation controlée* wine is only 21,000 ha.

Yet little more than 10 per cent of this is under vines for producing wines of AC status, a designation that was received in 1971. So even in the record year of 1982 only 154,000 hl were produced, though this must be measured against the mere 6,200 hl made 20 years earlier. Fifteen per cent are exported.

A succession of misfortunes lasting more than a century almost wiped out Cahors as a source of quality wines. They started when the coming of the railways led to competition with the cheaper wines of the Midi. Then came the attacks of the oidium and phylloxera, followed by the long economic slump before and after World War One and the vast imports of Algerian wine.

Only indifferent wines made from the American hybrid grapes at least preserved the craft of wine-making in this attractive part of the Lot valley.

Restoration began only after World War Two with the opening in 1947 of the co-operative, the Côtes d'Olt, downstream from Cahors in Parnac, where, along with Albas and Puy l'Eveque, some of the best wine is made in the most planted-up part of the district.

Unlike its viticultural neighbours, Gaillac and Bergerac—each about 60 miles away—Cahors produces only one wine, which is red. In some ways this is an advantage, as its promotion is simplified.

On the other hand, at a time when white wines are increasingly popular Cahors can fire only with one barrel. It is also principally made from just one grape, here known as the Auxerrois, but in viticultural circles generally called the Cot, though in Bordeaux it is named Malbec.

This is responsible for 70 per cent of the Cahors blend that is topped up by the Merlot of Bordeaux and the Tannat of Madiran near Pau.

In addition to a good colour the typical Cahors has a powerful, sometimes aromatic, nose and when young a big, tannic flavour. It is a mouthful of wine, and you drink Cahors for its full, fruity flavour, not for the finesse of fine claret.

Unfortunately like most red wines outside the ranks of classified growths and their equivalents, it is nearly always drunk too young, being bought young in bottle for early retail sale.

It has then the fresh charm of youth, but Cahors is essentially a *vin de garde*, and in a good year is well worth keeping until at least five years old. On my last visit I drank excellent 1976—now probably the best vintage in terms of maturity—and a good 1975.

A 1962, opened for interest, had a beautifully developed bouquet, but was showing its age after 21 years. All three *were tasted at Clos de Triguedina* in Puy l'Eveque.

Other good private growers in this area are Ch du Cayrou, Clos de la Coutale and Rigal, the leading merchant of the district and also proprietor of Ch. St. Didier.

An excellent wine is also made at the Domaine de Calassou, which, rather unusually, is on the plateau on the right bank. When considering Cahors wines it should always be borne in mind that broadly this is virtually a new vineyard.

At Triguedina the average age of the vines is a rare 25 years, but at Cayrou the average is ten. Haute-Serre's first vintage was 1976; Chambert's 1978. *Overall the quantity should* improve everywhere as the vines age.

The largest producer is, however, the Côtes d'Olt co-operative in Parnac. It has 500 members, the great majority of the district's growers, who between them own 1,000 ha—nearly half the total of vineyards producing AC wine and 350 ha of table wine.

So they have a potential of 50,000 hl of the former and 20,000 hl of the latter. Very little wood is to be seen in the cellars and the wine is kept in vats covered with inert gas to prevent oxidation. The wine is normally bottled in the second year, and the top brand is Comte André de Monpezat, followed by Les Côtes d'Olt, probably the more widely known.

Moreover the co-operative also administers certain private properties, including Ch de Caix, owned by Prince Hendrick of Denmark, son of Comte André de Monpezat and consort of Queen Margrethe of Denmark. He must be one of the few princely members of a wine co-operative.

The co-operative's most important *property* is Ch Les Bouysses on a terrace on the right bank above the Lot in the commune of Mercuès where some of the best vineyards in the district lie. The wine is actually made and bottled in the château.

Cahors wines have an individuality of their own. They are not like red Gaillacs or red Bergeracs; nor like clarets. Owing to the lack of sufficient wine merchants in the district their wines are not as widely distributed as they might be, and most are probably sold through the Bordeaux trade, save for the co-operative's wines which they market themselves. They are not great wines, but they are modestly priced.

As with *lesser wine areas of* France to find and enjoy a range of Cohors wines, one must visit the district, no great hardship in the splendid country of the Lot.

But one cannot expect a wide selection on wine lists here. However Luc Caeerre (73-75 City Road, Cardiff) has the Ch Haute-Serre '78, which I have tasted and enjoyed on the spot—a big wine, with an oaky aroma—at £4.50.

Lay and Wheeler of Colchester has Rigal's Ch St Didier '80 at £3.27, the Amis du Vin, 7, Ariel Way, W12 the Domaine de Merignet '81 at £3.35, Tanners of Shrewsbury, the Carte Noir '82 at £3.15, while Averys of Bristol has the local country wine, Coteaux de Quercy at £2.81. All prices are inclusive of VAT.

Horses for tough courses

COLLECTING

JUNE FIELD

DEVOTEES of scenes of the racecourse and the hunting-field, no-nonsense horses and resolute riders who rarely flinch at the toughest fences will already know the work of Charles Johnson Payne (1884-1967), alias Snaffles.

The son of a shoemaker in Leamington Spa who later ran the Plough Inn in the Market Place at Banbury, Oxfordshire, Charlie Payne appeared to have had no formal art training, although at school he was good at drawing.

He first used the pseudonym of Snaffles in 1903 when he was 19 and serving in the Royal Artillery. He began to make pen-and-ink sketches of his comrades, and it was through the encouragement of an Aldershot print-dealer, Charles Harland, to whom he had submitted some work on chance, that when, through a disability, he had to give up the Army, he was able to begin to make a living as an artist. Fores Gallery became his agent in 1908.

The story of how fame and comparative fortune was eventually achieved, is told by Donald Crawford in a large handsome volume *Charles Johnson Payne—Snaffles*. Compiled by Mark Flower (in the racing world for 12 years, mainly on the training side, and a collector-dealer for the last six years) it has a foreward by Princess Anne.

The splendid hand-bound album in rich burgundy linen and leather, with its end papers of hand-made Japanese paper, contains 82 of Snaffles' hunting and racing prints. Produced in a limited edition of 750, the plates were destroyed after printing; and even though the cost is £350, over three-quarters of the edition has been sold, principally to hunting and racing enthusiasts, a pointer to the tremendous following in this field of art.

Snaffles concentrated on portraying the solid traditional attitudes of Edwardian England. Riders were generally ammaculately kitted out in white breeches, red swallow-tails and high polished boots, with topper and crop. Only *The Gent With 'Osses To Sell*, the hard-faced horse dealer, is shown in loud checked hacking jacket.

Horses and riders were often depicted in unflatering light, slipping, sliding and falling. And in his autobiography *A Half Century of Memories*, 1949, Snaffles wrote that the horses "were not a level lot—long tails and bob tails, all colours and measurements . . ."

He began the practice of adding vignettes to his work just before the first World War, and over the next 30 years or so they became his trademark, the captions giving a punch-line to the main picture. In *A Point to Point*, for instance, there is the man on the stretcher — "Wreckers", the flagged-out beast — "Cook'd", and the unseated rider, undeterred, carrying his saddle, "The more mud! The more Glory."

The book can be seen at Mark Flower Sporting and Military Prints, The Court Gallery, 8 Lancashire Court, 122/123 New Bond Street, London, W.1., where there is always a good selection of Snaffles prints and originals. Prices are in the region of £350 to £800 for the prints, and could be nearer £2,000 for really fine watercolours. Mr Flower contends that the watercolours are considerably undervalued. "This could change dramatically though it more were to surface."

Serious enquirers can send for a promotional brochure of the book which includes a reproduction of *If there is a Paradise on Earth it is this!* showing the hounds in full cry followed by the huntsman alone with two of the field.

The Malcolm Innes Gallery still has some of the Charles Johnson Payne catalogues of the exhibition of his work at the Alpine Gallery in October 1981, which should be read in conjunction with the larger work. Compiled by Caroline Juler, who researched the major Snaffles production, it is £5.50 from Malcolm Innes, 172 Walton Street, London, S.W.3 (Cheques should be made payable to the British Sporting Art Trust, to whom the proceeds of the catalogue go, and who also benefit from the Mark Flower book).

Geffrey and Pauline Allen's Mandell's Gallery, Elm Hill, Norwich, specialise in Snaffles prints too. Their current list includes a set of 12 months of the year, (Jorrocks as Snaffles immortalised him in all his delightful awfulness) *The Oxer* (part fence, part hedge, it is a fair test of horse and rider), and the *Bullfinch*—"Black as yer hat on this side and glorious uncertainty on the other."

Probably one of the finest versions of the *Point to Point* 1911 series, is at Nicholas Potter and Angus Lloyd's Burlington Gallery, 10 Burlington Gardens, London, W.1. About 80 per cent watercolour on a lithographed background, one of the evocative vignettes is captioned: "Up the straight for home/Where an ounce of blood's worth a pound of bone." It is £975.

Prints and watercolour sketches also come up in Christie's South Kensington sales in Old Brompton Road, S.W.7., and it is worth studying their catalogues for the less popular items such as the later military prints. Richard Barclay of the watercolours, drawings and prints department told me that he has noticed a growing demand for the Indian period prints (Snaffles made two trips to the East), particularly those featuring polo and pig-sticking.

Self portrait by Charles Johnson Payne in the "Snaffles" album published in a limited edition by Mark Flower of the Court Gallery

Making lawnmanship easier than it looks

GARDENING

ARTHUR HELLYER

THERE IS more to lawnsmanship than just cutting the grass. The best lawns get fed and sprayed, raked, spiked and brushed. All these things can be done with quite basic equipment: the fertiliser can be scattered by hand or, if it is liquid, applied from a watering can, raking done with one of the excellent spring toothed grass rakes, spiking with a fork and brushing with an old fashioned birch besom or a broom. But it all takes time and it can be a bit hit and miss. A great deal of ingenuity has gone *into the production* of special equipment to ease the work and make it more effective and there have been some interesting developments recently.

I believe that the Walkover liquid distributor for fertilisers and lawn herbicides was introduced about a year ago but I only caught up with it recently. Basically it is very simple, a low two wheeled trolley with a pump mounted between the wheels and driven by one of them and a flat top on which a 20 litre plastic container can be strapped. Handles, adjustable for height, allow the machine to be pushed across a lawn and two small wheels attached to the handles at the back can, if necessary, be pressed downwards on to the turf to leave a rather clearer wheel track than that given by the main wheels.

The pump draws liquid from the tank and sprays it out through two jets fixed to the front of the machine with fixed apertures to give coverage of slightly more than the 20 in track width of the wheels, since there is an inevitable fall off in the amount of spray at each end the extra width allows for some overlap when pushing the machine back and forwards using the wheel marks as a guide and this compensates for the shortfall.

Whether one walks fast or slow the machine will distribute its 20 litres over 500 square yards of lawn since the pump operates faster the quicker one walks. All that is necessary is to measure the right quantity of concentrate, whether it be fertiliser, herbicide or moss killer, to treat 500 square yards, pour it into the tank, fill up with water and propel the machine, using the wheel marks as a guide, until the container is empty.

The EMA liquid fertiliser and herbicide distributor really is new, *just out this April*, and it carries the search for accuracy of distribution one stage further. Again it is basically a little lightweight trolley but this time carrying a standard pneumatic spraying machine, the type that one pumps up before setting out to spray. Any sprayer of this type can be used on the EMA trolley but the one fitted as standard has a pressure release valve to ensure that it is not pumped up too much and it also has a fixed aperture jet that covers the 20 inch width of the wheels at an even rate.

So the amount of liquid which actually reaches the turf depends on the speed at which one walks and the heart of EMA is an ingenious electronic speedometer which can be set for different rates of movement according to the amount of fluid to be delivered *per square* yard. A chart tells one what speed is required for various rates of application and then EMA (the acronym stands for "electronically monitored applicator.") is set to this speed and off one goes. If one walks too fast a red light appears and if too slow a green light comes on. At the right speed both lights go out and the instrument face is black.

It sounds a lot more complicated than it is. As the inventor, Mr Brian Montandon, points out, we are very good at monitoring our movements once we know what we are aiming for. A runner can circle a large track at within a second or so of the *time aimed for and ordinary* mortals can walk at 2, 2¼, 3 or even 3½ miles per hour with considerable precision as soon as they know what these various speeds mean in practice. I found when handling EMA that, after a stumbling start, I had mastered the art in a few minutes.

My main difficulty was to keep a weather eye on the lights while concentrating on guiding the machine along the rather faint track marks left by the wheels. There is no joy in walking at the right pace but covering some of the ground twice.

When not being used for lawn treatment the spraying machine on EMA can be switched to an ordinary hand-held lance for spraying anything in the garden with the convenience that the heavy contained can be wheeled about instead of having to be carried.

Finally the most relaxing tool of them all is the Lawngroomer made by Westwood, the Plympton-based garden tractor manufacturers, to be towed behind such power driven machines. The Lawngroomer will spray brush, rake or spike according to ones needs. It covers a 2½ft track and carries two detachable 25-litre proplyene tanks which, when full, bring the total weight of the machine to 150 lbs. This can be useful when spiking to drive the long tines well down into the turf and it may sometimes be useful when raking if there is thick thatch to be dragged out.

The spray pumps are *ingeniously simple*, two not quite complete circles of rubber pipe one mounted inside each wheel which are squeezed by rotating eccentrically mounted bushes. The technical description for them is peristatic. There is really nothing to go wrong and the replacement of worn out pipes should be easy, though I confess I have not tried to do it.

The EMA lawn sprayer and feeder

Rake height can be adjusted to control pressure of the spring tines on the turf and, after raking, the attachment can be rotated to bring the stiff brush into operation and so complete the job well.

The Lawngroomer and Walkover are available from many retail sources but EMA can only be obtained from Herm Products, Huntingdon, Cambridgeshire, price £49.95 plus carriage.

Trevor Bailey on soccer's management game

Fame is the Spurs

TWO MORE names, Keith Burkinshaw of Tottenham Hotspur and Peter Taylor of Derby County, have been added to this season's soccer managerial casualty list.

From the major clubs alone it already includes Terry Neil of Arsenal, Ron Wylie of West Bromwich, Malcolm Allison of Middlesbrough and John Toshack, of Swansea.

Burkinshaw's resignation does not take effect until the end of this season and came as a surprise, especially as Spurs could still win the UEFA cup.

But Taylor's departure, considering Derby's serious financial and playing problems, was fairly predictable. Neither was summarily dismissed — Burkinshaw resigned and Taylor left by mutual consent, with only nominal compensation for the remaining two years of his contract.

Burkinshaw . . . a good record

The reasons for the departure of these two respected and proven managers were entirely different but help illustrate why managing a football club is so much more difficult—sometimes near impossible—than it used to be.

Since his appointment in 1976 Burkinshaw has enjoyed a much better record than most of his colleagues. Under his guidance Spurs have bounced back into the First Division at the first attempt, won the FA Cup twice and were losing finalists in the Milk Cup.

He will be best remembered for signing Ossie Ardilles and Ricky Villa from Argentina. This interesting gamble brought a new dimension to his team.

But Burkinshaw failed to produce a side with the consistency to challenge seriously for the League championship. And that is what is required to fill White Hart Lane regularly, help offset the enormous cost of the new stand and a very high wage bill. He stood out as an honest man in a sport where this virtue is becoming increasingly rare.

Peter Taylor returned to Derby County in November 1982, where in partnership with Brian Clough he had achieved so much. There was to be no repetition.

He walked into a manager's nightmare: a club with no money, huge debts, a number of players on high salaries with long contracts, whom he did not want and could not afford and a dwindling support. It finally engulfed him.

Football management has never been a secure profession but has become even more insecure in recent years.

When Harry Warren took charge of Southend United just after World War Two they were comfortably ensconced in the Third Division South, could rely on home gates in excess of 10,000 and had over 30 full-time professionals.

Warren, with the aid of two trainers (who also maintained the ground) and a part-time girl secretary, managed every aspect of the club. He was responsible for training, tactics, selecting the teams, discipline, all the administration, including paying the wages, buying, when the money was available and selling players which he did astutely and helped balance the books.

He worked hard and was responsible to the directors, but he never had to contend with supporters who seem to spend most of their time shouting "Out" when their team is doing badly.

But football clubs can no longer exist on receipts from the game and are now dependent on revenue from a whole series of different commercial enterprises. Today a manager *looks after the football rather* than the club.

He is really more of a coach than an administrator and is very highly paid. The closest to the Harry Warren style of manager is probably Terry Venables, who also is a Queen's Park Rangers director and is creating such an exciting team that he is unlikely to be lured away by Spurs.

There is a tendency to judge managers in terms of results. This is unfair, as even the best cannot succeed without adequate players. However, there are a few football managers who stand out from the crowd.

What does it take? First, he needs the ability to make the best possible use of the material at his disposal. Second, to possess a tactical appreciation and the imagination, like Sir Alf Ramsey, with his deep-lying winger at Ipswich, Graham Taylor with his four forwards at Watford, or Lawrie McMenemy with a sweeper at Southampton to introduce a slight variation into the rather stereotyped pattern of League football.

Third, to motivate players by convincing those who have an inflated view of their own ability that they are not quite as good as they thought and, those lacking confidence, that they are rather better. It is difficult to think of anyone who has done this more effectively or consistently than Brian Clough.

Fourth, to remember to follow Liverpool's example by dispensing with players when they are still near their best, not when their slide has become obvious. Fifth, to live within a budget ordained by the board. And it does help to have a sense of humour—and some luck.

John Griffiths on BL's rally

A world contender

IN THE Yorkshire forests last weekend, spectators watched agog as a new motor rallying "supercar" briefly left all its competitors for dead—until its alternator failed—in a performance which promises to make it a major world rally championship contender.

Within minutes, its driver was in a helicopter, being whisked towards Silverstone and an outright victory in the first round of the British saloon car championship.

At the famed Monza motor racing circuit on Sunday, thousands of cheering Italians urged on the eventual winner of the first round of the European Touring Car championship, leaving a trail of defeated BMWs, Volvos, Alfa-Romeos and other illustrious marques in its wake.

All things considered, it has not been a bad start to the year for British Leyland.

The rally in the Yorkshire forests marked the debut of Austin Rover's mid-engined, four-wheel drive Metro 6R4. Its driver, Tony Pond, was using a V6 engine based on the Rover saloon V8 unit. On Saturday, it was putting out less than two-thirds of the 300-plus brake horsepower the car will have when its eventually starts tackling the world rally championship in earnest.

Still, Pond was fastest by margins which left those who watched convinced that here at *last was a car for Audi's Quatro* and every other major manufacturer's contestants to fear.

At Silverstone, Pond's first-placed Rover Vitesse was followed by another Vitesse—it would have been three but for an accident.

At Monza, it was the turn of the Jaguar XJ-S to draw first blood in the European championship, which it narrowly lost last year to BMW, whose cars outnumbered the Jaguars by roughly six to one.

This year, Jaguar has entered three cars, not two, and is going all out for the championship. But it is not only battling against Continental rivals—on Sunday's grid were also two "in-house" rivals, another brace of Rover Vitesses.

The start produced a sight not seen for decades—a huge grid of over 40 cars—and the pole position and next four fastest places dominated by the British.

That there were problems—minor mechanical troubles and an accident for the Rovers, the same for the other two Jaguars—did not have a too dampening effect. Teething troubles were expected, but the cars had proved themselves the fastest on the track.

The foundations now appear to have been laid for what Austin Rover's chairman, Mr Harold Musgrove, and Mr John Egan, chairman of Jaguar, have determined will be a major onslaught into the motor sport arena.

Their reasons for taking their companies into the fray are wholly pragmatic. Both have as top priorities the securing of substantial increased sales in Europe.

Image-boosting among highly motor sport-conscious Continentals is seen as one of the more cost-effective ways of *doing it—even if a manufacturer* running three cars in a season is unlikely to get much change from £1m.

Next week BL is expected to announce its 1983 financial results.

They, too, are expected to provide a sight not seen for years—the black ink of a trading profit.

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The old fears are fading

WHO WOULD have imagined a year ago that, by April Fool's Day, 1984, the world would present the following vignettes to the economic observer: the Mexican Central Bank taking over (on April Fool's Day itself) from the U.S. Treasury as lender of last resort to Argentina and Costa Rica; the U.S. economy straining towards the limits of its productive capacity and setting new records for capital investment, despite a climb in long-term interest rates back to the levels which precipitated the 1982 recession; Britain's workers, led by the coal miners, responding to a robust economic recovery and soaring corporate profits by waging war against their own union leaders, instead of their employers?

One by one, the impediments to economic recovery, both internationally and in Britain, have seemed to lose their significance, without actually having to be confronted or overcome. Interest rates have fallen much less, especially in real terms, than was generally considered necessary to fuel a healthy economic recovery. Next to nothing has been done to tackle the U.S. budget deficit and the dollar remains overvalued. The sullen and battered trade union leaders who had threatened to make a come-back once the world economy started growing, have yet to wreak the inflationary vengeance which was so widely predicted, especially in Britain.

Now, with last Sunday's extraordinary Argentine debt agreement, and with the subsequent revelation that Costa Rica had received a similar bridging loan from the Mexican Government, even the international debt crisis has apparently been reduced to a harmless game of musical chairs.

Reminder

Fact is often stranger than fiction, as anybody who has followed the gyrations of the world economy in the past decade has had ample opportunity to reflect. But the events of the past few weeks, and particularly the Argentine bail-out, are a *reminder* that there is sometimes no clear dividing line between fiction and fact; indeed a form of fiction, known variously as "confidence," "sentiment," "animal spirits" or "credit," is the lifeblood of the banking systems and financial markets on which the whole of the world economy is built. And rarely in recent times have economic events depended so crucially on these potentially fickle psychological factors.

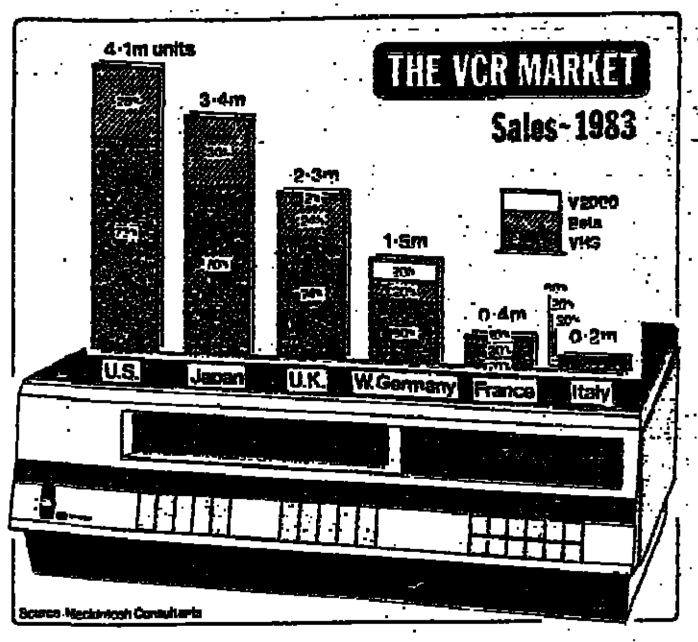
In both the U.S. and Britain, the continuation of economic recovery still depends largely on consumer spending, unmatched by increases in real incomes and thus dependent on increasing extensions of bank credit. While investment has been stronger than expected in both countries, this too has been underpinned by highly bullish expectations among businessmen, such as the ones in the survey published on Monday by the CBI. Whether these optimistic expectations could survive an end to the consumer boom is highly uncertain—and retail sales will inevitably slow if consumers start worrying about the future.

The worry that could yet undermine the U.S. recovery, and has already sent the stock and bond markets back to their early 1983 levels is inflation. Forecasts for 7 per cent inflation by the end of this year, with even higher figures possible beyond that are now commonplace, if not yet accepted by the "consensus" of U.S. economists. But the immediate fear in Wall Street relates as much to the actions which have to be taken to check inflation before it gets out of hand—the monetary tightening which has pushed U.S. bank prime rates up by another ½ percentage point this week.

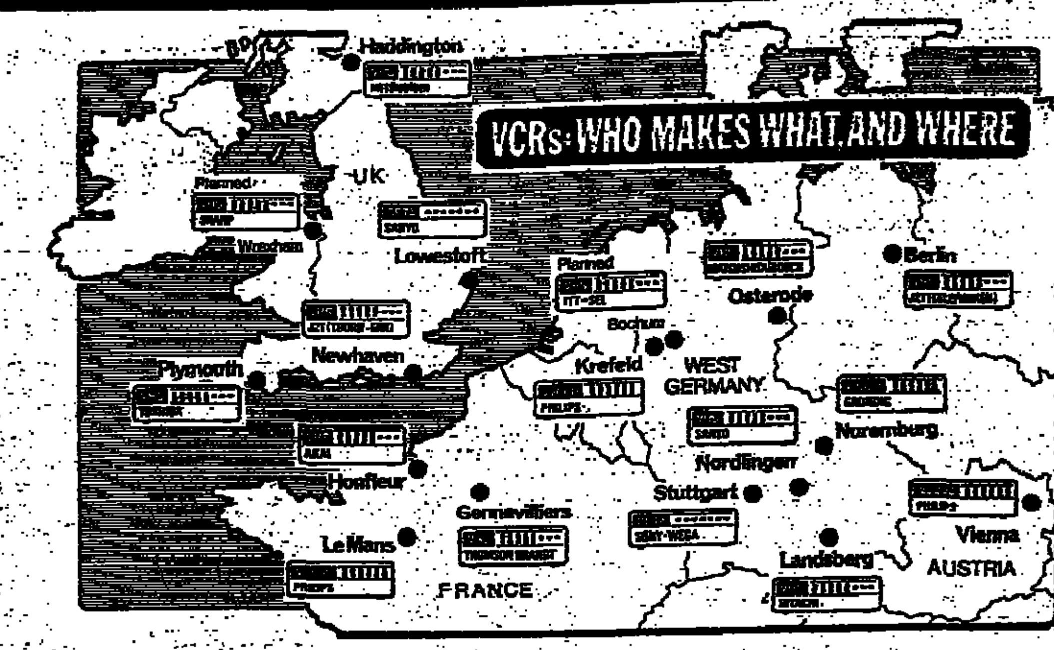
Whether these moderately higher interest rates will be sufficient to brake the inflationary momentum in the absence of any significant actions to curb the U.S. budget deficit is doubtful. But it is also questionable how much further the Federal Reserve Board could go. A really major hike in interest rates would not only create a political furore which might jeopardise permanently the Fed's politically independent status, whether President Reagan or a Democrat is returned to the White House in November. Just as important, it would reopen the can of worms which the Government of Mexico so obligingly helped the U.S. Treasury to cover up at Punta del Este last Sunday.

For the international debt crisis is still very much with us, even though it can be temporarily ignored as long as confidence in the immediate prospects for the world economy can be maintained. The reason that effectively bankrupt countries like Mexico and Brazil can borrow money from the banks in order to advance it to Argentina, is the faith among international bankers that the global debt situation is improving, however slowly.

The trouble is that even Mexico's debt rescheduling could easily begin to unravel if interest rates rose sharply—or even if the growth of the world economy slowed significantly as a result of tough U.S. actions against inflation. A dim perception of the constraint on the Fed's ability to slow down the economy may be why American consumers seem willing to go on borrowing and spending, even while Wall Street frets about any inflationary retribution to come.



European video-recorder manufacturers are struggling to maintain an independent presence in a booming market dominated by the Japanese



If you can't beat them . . .

By Jason Crisp

THE high stakes and high risks involved in developing new consumer electronics products have just been dramatically underlined by sudden announcements from two of the world's leading manufacturers.

In New York on Wednesday RCA, the leading U.S. consumer electronics group, said it is to stop making video disc players—after running up development costs and operating losses of well over $500m on its CED system. RCA's decision casts further doubt on the future of the video disc as a consumer product.

The previous week Philips, Europe's largest consumer electronics group and second only to Matsushita of Japan, swallowed its considerable pride and announced it is to sell video cassette recorders in Europe using the Japanese developed VHS system—the main rival to its own V2000 system. Philips had spent vast sums developing and promoting the V2000 format which now seems unlikely to survive long.

In their separate ways the two decisions highlight the difficulties of operating in the consumer electronics industry. Philips' move illustrates the penalty of losing the battle for the dominant technological format. It is a problem consumer electronics groups have faced time and time again as new products have been launched on the market.

RCA's decision highlights the difficulty of finding the right product. Although video discs have problem of formats—there are three incompatible systems—the main problem was that they failed to attract mass appeal like the video recorder. Yet RCA launched the video disc three years ago as its "priority product" of the decade.

But there is no doubt the potential rewards from the right consumer electronics product at the right time can be great. Japanese industry has thrived on the explosive growth of the video cassette player—it provided over 30 per cent of the world's production last year. VCRs are now Japan's most important consumer electronic product, with revenues far outstripping those from colour televisions or audio cassette recorders. Last year the country made 18.2m VCRs and exported 15.2m of them.

The potential for making money in consumer electronics over the coming decade is, theoretically, immense as the developed world turns inwards to the home as an entertainment centre.

According to a study by the Electronic Industries Association of Japan, the consumer electronics industry has the potential to grow at 10 per cent a year throughout the 1980s with world demand in 1990 reaching £138bn of which half would be new products. But it is, of course, far from clear which new products will be the winners and which the losers.

For the moment the major growth area is still video recorders—and despite the domination of the Japanese, Philips and Thomson of France are still trying to maintain an independent European presence.

There are three incompatible formats of VCR. VHS, developed by Victor Company of Japan (JVC), which has become the dominant system in the U.S., Japan and Europe; the Betamax system, developed by Sony, which has a little under one-third of the world market; and Philips's V2000 system, whose future is now in doubt.

Most European consumer electronics groups have been content to make their money out of the distribution of Japanese products. Dr Max Grundig, veteran founder of the West German audio group, which has now been taken over by Philips, has bitterly attacked his rivals for helping the Japanese dominate Europe. "Most Japanese products are distributed through companies with such proud names as Thomson Brandt, Telefunken, Saba, Blaupunkt—to name just a few. They are the Trojan horses of the Japanese industry," he said.

Now, however, almost all the leading Japanese companies have set up European assembly operations—largely to appease a growing European hostility to the imbalance of trade.

The plants provide a means for partially sidestepping a voluntary restriction on VCR imports agreed between the EEC and Japan's Ministry of International Trade and Industry, and are a useful base from which the Japanese could expand production should European protectionism increase. Most of these plants are small final assembly operations which are wholly dependent upon Japanese design and almost certainly unprofitable.

Production of VCRs by European companies is modest. Philips makes V2000 VCRs at Vienna in Austria and Krefeld in West Germany and Grundig in Nuremberg, West Germany. Britain's Thorn EMI is part of a joint venture, called J2T, with Victor Company of Japan (JVC) and Telefunken assembling VCRs in Berlin and Newhaven, Sussex.

Philips gradual move to VHS marks a significant change in the nature of its battle with the Japanese. For while Philips will start selling VHS recorders that are made in Japan by Matsushita, it intends to move quickly to make them in Europe. Most important of all, Philips intends to design its own recorders using VHS technology.

So although Philips will make recorders under licence from Matsushita—which owns 51 per cent of JVC, the company which developed the system—it will argue that in all other respects, it will be making a European machine.

"We will introduce our own technological standards and they (the VCRs) will always be recognisable as Philips's sets (totally and completely made by Philips in Europe," says Mr Cees van der Klugt, vice-president of Philips. The company will sell its first VHS units in the UK—the largest European market for video.

The only other European company which is pursuing a policy which would make it independent of the Japanese is Thomson, the nationalised French electronics company which also owns Telefunken. Its strategy is to gain complete mastery of VCR production and design.

This has gone hand in hand with government moves to restrain Japanese VCR imports to France—including at one time the routing of all imports through a small customs shed at Poitiers and the imposition of a luxury tax of 33 per cent on VCRs, in addition to an annual licence fee.

Thomson is currently assembling VCR mechanisms in France which are supplied to J2T. The mechanism is the most important and critical part of a VCR and accounts for nearly 25 per cent of its cost.

Thomson assembles the mechanisms from parts imported from JVC in Japan, but it will soon start to buy some of the components in Europe. Next year it will begin assembling the all-important drums which carry the tape and contain the recording heads, and ultimately it will manufacture the drums itself.

The drums are at the very heart of VCR technology and manufacturing. They must be precision engineered to an extraordinary fine tolerance for mass production. Privately the Japanese express doubts not only about Thomson's ability to produce them at the right quality but also about the viability of the project. The rule of thumb is that a minimum volume of 1.2m to 1.5m drums a year is needed to break even.

Not surprisingly, Mr Rudolf Barkhuis, industrial manager for video recorders at Thomson, disagrees: "We must have the total technology. Today we have the technology to do the electronics—the great part of video is just TV technology. We also have the specialist servo technology to drive the motors. The only thing we do not know is the mechanical part. We think that within one year we can produce a European product."

Thomson has started a research and development and design capability which it hopes eventually will give it total independence from the Japanese.

The fact that Thomson is working on its own designs for VCRs may create tensions within J2T which, so far, has been a remarkably successful European-Japanese collaboration.

A critical factor is that if JVC makes a technical change to the way in which the mechanism is made for J2T, it could make much of Thomson's investment obsolete. "If they change models every two years we will have to start from scratch each time," says Mr Barhuis.

But the prospect of such changes underlines the dependence of existing VCR assembly operations, including J2T, on Japanese decisions made in Japan. "We have to accept we are in a business in which the products are fashion sensitive. Local procurement is seriously inhibited by the fact that the life cycle of a model is 18 months to two years," says Mr Dennis Harvey of Thorn EMI and joint managing director of J2T.

J2T has by far the most comprehensive assembly operation in Europe after Philips and Grundig. It employs nearly 1,000 people and makes over 600,000 VCRs a year. Currently over 30 per cent of the product is sourced in Europe and this will pass 45 per cent by the end of the year—the key level at which the product can be described as European made.

The great question now facing the European consumer electronics industry is can it compete with Japan in this key sector of the market? Even if Philips, Grundig and Thomson do design their own products based on the VHS format, they face a major disadvantage because of the economies of scale enjoyed by the Japanese. JVC alone is stepping up production to nearly 5m VCRs a year.

There is a growing feeling therefore that if Europe is to establish real competition in VCRs—rather than being the assemblers of Japanese designs—it needs further protection.

WHY THE VIDEO DISC IS NOT A HIT

RCA's failure with video discs illustrates the difficulties of picking on the right new products in the fast expanding home entertainment market.

Video disc recorders have failed to find a mass consumer market largely because they were launched after the more versatile video cassette recorder.

Although the disc recorders are cheaper than VCRs and provide slightly better quality pictures they cannot be used to record broadcast TV programmes.

RCA's withdrawal leaves two other systems still in the market. The most sophisticated was developed by Philips and uses a laser to read billions of minute "pits" on the surface of a silvery disc. It is sold in the U.S. and Japan by Pioneer and in Europe by Philips itself.

In spite of heavy promotion and massive price cutting, sales to the consumer have been disappointing. The video disc is, however, attracting growing interest in commerce and industry for training and information.

The third system, VHD developed by JVC, is only available in Japan as a consumer product, but is also being sold as an industrial and commercial system in other countries. Thorn EMI is marketing it in the UK.

Video discs are just one element in the increasingly diverse range of TV-based home entertainment systems on offer. New products beginning to appear in various world markets include television sets which can receive TV broadcast from satellites, hi-fi stereo video recorders and stereo TVs, pocket sized TVs and viewdata systems like Britain's Prestel service.

Through Prestel, television sets and home computers are being used to gather information or communicate with each other. Cable networks might lead to services such as teleshopping and telebanking using sophisticated home terminals.

Other new consumer products include lightweight portable video-cameras, over which there is expected to be a fierce battle, high definition television, large flat-screen TVs, improved home security systems, and increasingly powerful computers which may also control functions within the home.

Letters to the Editor

Farmers' case for the CAP

From Mr Nicholas Thornhill

Sir,—The case for the CAP is not properly made. Historically, Europe is a high-cost food producer. All the land area is farmed and much of it is not economic in world terms. The men who work on it have a strong loyalty to their own area, which they know and love. The true farmer is bound to his farm as an artist is to his art.

The economic issue is usually irrelevant. The satisfaction of breeding and rearing good cattle or growing good crops is an art form, just as real as painting a picture or writing a poem. As a result, Britain has a beautiful countryside and leads the world in cattle breeding.

In recent years economic pressures and new techniques have revolutionised arable farming. Chemicals allow crop rotation hitherto impracticable. Large machinery has done away with the manual slog. To get the benefit of these machines, fields have been made larger and trees removed, to the fury of conservationists. Straw is burnt not to get rid of a waste product but to sterilise the soil and to use the heat to fracture the top inch or two of heavy land to make a seedbed for the following crop. This is a very economical practice but causes problems in highly populated Europe.

Samuel Brittan advocates low prices to reduce surpluses. In the short term, falling prices increase production and an increased turnover is the only way to hold up profits. Costs cannot be cut to any great extent. In the longer term, those who cannot increase output and have obstacles to cheap production, like altitude, grade of the land, etc., will go bankrupt.

Clearly this will happen first *in the northern upland areas*, where a rural population is most required. Some areas will resort to tourism, the land will go derelict, as much of it did in the 1930s, and we shall become more dependent on imported food.

The arable east of Britain will become even more prairie-like as American methods are more widely adopted. There will be no regular labour force and all non-essential maintenance will be ignored. Villages will become even more dormitories for local towns and change will quicken.

Is this really the sort of countryside we wish to have? The CAP may be expensive, but the rest of Europe has grasped what Britain cannot grasp—that a prosperous, well populated, well-maintained countryside is an asset beyond price.

Nicholas Thornhill,
Hinderclay Hall,
Diss, Norfolk.

Health authority auditor's salary

From Mr J. Booles

Sir,—My attention has been drawn to your report on March 26 and the reference to the chief internal auditor at "Macclesfield Hospital" earning *£11,000* per annum compared with a private sector maximum of £10,000.

I do not know how Accountancy Personnel obtained their information but I suspect it is from an advertisement some months ago, and the post is rather more "impressive" than it sounds.

The post is chief internal auditor to the Macclesfield Health Authority (it is the offices that are at the Macclesfield Hospital). The Authority has an annual budget of £28m in 1983-84 and 3,800 employees. It manages 11 hospitals and 12 clinics and, as a side-line, provides a "banking service" to hundreds of patients, many of whom are mentally ill or handicapped.

Our activities are governed by Acts, regulations and DHSS instructions and, as we are using tax-payers' money, we have to maintain procedures designed *to minimise losses, fraud, etc.* and straightforward errors to a far greater extent than most commercial organisations would consider worthwhile. The chief is responsible for a department of four—not three—and, if he has any spare time, is expected to undertake value-for-money exercises.

If this post is as overpaid as is suggested (there are qualified accountants who would like to receive such a salary and live in pleasant country between the Cheshire plain and the Peak district and within easy reach of Manchester) how is it that the post is still vacant despite national advertisements? The last advertisement yielded just two (one qualified) applicants and the previous one 11, of whom only one was qualified, of unstated age but at least 50, just made redundant and with no relevant experience.

J. Booles,
District Treasurer,
Macclesfield Health Authority,
Macclesfield, Ches.

Actuaries and the courts

From Mr Anthony D. Woolf

Sir,—As a lawyer I have no brief to defend actuaries (or the life insurance offices that do not seem to have done badly out of using their art or science) but I wish the law could at least understand them. Twelve years after the case of Mitchell v. Mulholland, and the Law Commissioners' report which powerfully criticised it, it is depressing if the courts still cannot handle the concepts of averages and probabilities as the result of this case seems to indicate.

A judge making a once-for-all assessment of damages for future loss has to make a number of predictions. In particular, he must decide how long the plaintiff (having been injured) will live and work and *how long he would have lived* and worked if he had not been injured. These are important factors, although not the only ones, in determining what the plaintiff has lost in probable earnings, pension payments etc.

The judge's predictions of length of actual life and working life will rarely, if ever, be proved to have been correct by the plaintiff subsequently ceasing work and dying on the predicted day. They are, however, converted from predictions into certainties by the act of judgment itself; on the basis of the judge's decision as to the probabilities a sum of money is awarded as damages which will be neither increased nor decreased as events disprove the predictions.

Actuaries analyse a large and sophisticated statistical database in order to predict any individual's length of life and working life. Taking into account as many factors as possible — age, sex, occupation, smoking habits, geographical environment and so on — they ascertain the recorded length of life/working life of as large a population as possible whose members have those factors in common and establish what is the average expectation for the group.

That average is regarded as the expectation of each member of the group, unless special additional factors known about him at the time of prediction indicate a probability that he will diverge from the average in a predictable direction.

The courts, however, refuse to pay any attention to the evidence and calculations of actuaries because, they say, "no-one can say whether an individual plaintiff is an average man" and because the expectation, being an average, "assumed that everybody lived to that age and then died." As an individual may not live as long, every such calculation "*must be discounted*," while the chance that he might live longer "is immaterial," although we are not told why.

As a result of this reasoning, the judge must apparently decide by pure instinct what the probabilities are and must close his eyes to all statistical evidence on the grounds that such evidence produces only probabilities, not certainties. Is this not the logic of Looking-Glass Land?

Anthony D. Woolf.
24 Deepdene Road,
London SE5.

Advantage of identity cards

From Mr Ronald Irving

Sir,—You state that Mr Leon Brittan is planning measures to reduce prison overcrowding. There would be far less need, I submit, for magistrates to refuse bail if the public were issued with fool-proof plastic identity cards each incorporating the bearer's photograph.

Every week hundreds of people, particularly the young, are needlessly kept in custody because of the difficulties the police would have in tracing them should they fail to attend court on the remand hearing, simply because our bureaucracy cannot tolerate the disruption entailed.

In many cases this objection would be obviated if the accused had such proof of identity. The introduction of a plastic identity card (which could readily be added to the array of credit cards already in the wallets of many people) would also help to reduce credit and DHSS frauds.

The public response to the offer of an identity card might well surprise the Home Secretary and disarm those who raise the bogey of the "police state."

Ronald Irving,
Carlton Club, SW1.

Married man's tax allowance

From Mr Richard Harris

Sir,—I agree with you that the married man's tax allowance should be abolished for non-pensioners, but I feel that you have given too little consideration to the problem of the middle-aged married couple whose children have grown up and left home and when the wife finds it impossible to get a job.

I feel that this problem is unlikely to disappear fast enough for the phasing-out of the married man's allowance to be a solution. I would therefore suggest another remedy.

This is that everyone, whether male or female, married or single, should have the option of claiming the present single person's allowance of £2,005, or of accepting a smaller tax allowance of £780 (£15 a week) plus a cash payment of £7 a week, equal to a tax allowance of £1,213 a year.

The only people whom it would pay to take the cash payment would therefore be those whose income was less than £1,993 a year. Most, though not all, of these would be married women without jobs.

Richard Harris.
119, Haverstock Hill, NW3.

Far-flung tax inspectors

From Mr K. Speyer.

Sir,—The chairman of the Inland Revenue gives his explanation as to tax coding notices (March 29). As I wrote to his board at Somerset House a month ago and have not received an acknowledgment, let alone a reply, I will try to ask him courtesy of your columns.

Why is it that one's hundreds-of-miles-distant tax inspector no longer returns a taxpayer's telephone call "for economy reasons" when this facility was specifically promised at the time one's local tax offices were removed from London to the provinces some years ago under direction of previous administrations?

What is the raison d'être for my (formerly local) London Provincial 17 inspector now being in Salford, Lancs. My wife's Victoria, SW1 inspector takes his instructions from my inspector in Salford. My Salford inspector's own tax office is in Cardiff and a relation living in west London has to defer to Edinburgh, Scotland.

It is akin to Londoners having their solicitor in Durham, their family doctor in Truro and their accountant in Newcastle.

K. G. Speyer.
208 City Road, EC1.

هكذا من الأصل

Joan Gray reports on a heated debate between conservationists and developers

Mr Jenkin's green belt dilemma

ANGER about the threat to Britain's green belt may have cooled after the latest skilfully-worded instructions from Mr Patrick Jenkin, Secretary of State for the Environment. But the underlying problem—a shortage of land where people most want to build—is not going to go away.

The argument over whether development should be allowed in the green belts of countryside surrounding Britain's cities is complicated.

But in trying to untangle the issues, it is possible to identify the following strands:

● The areas where pressure to build is greatest are precisely those where pressure not to build is also greatest;

● The present Government's intentions are still unclear. The Secretary of State for Environment insists that demand for housing must be met where people want it met but also that the green belt should remain sacrosanct;

● There are no reliable statistics about housing need and whether or not there is a current shortage of building land;

● Building more homes within cities, rather than in the countryside, is a controversial—and limited—option;

● The pull of the south-east and the pressure to create jobs are increasing while the motorway corridors — such as those along the M4 or round London's M25 orbital road—intensify the strain on the green belt.

The idea of the green belt is still supported by all factions in the present debate. But there is no agreement about how big it should be. Nor has there been ever since local governments began to try to extend these bands of protected countryside. Builders have argued for years that over-lavish use of the green belt pen was creating a shortage of land which was in turn driving up house prices.

Surprisingly, the size of the area designated as green belt has increased over the last 10 years from 1.5m hectares (3.6m acres) to 1.8m hectares (4.4m acres).

Even in the increasingly sought-after area around London, where the pressures for development are greatest, the metropolitan green belt has expanded from 307,000 hectares (755,220 acres) to a total of 572,900 hectares (1.4m acres).

In the Home Counties around London land prices have risen from 15 per cent of the price of a house to 40 per cent, according to the House Builders Federation—and the builders say that unless more land is made available and prices come down, they will be unable to build where people want to live, and at prices they can afford. This, they add, will directly threaten the government's policy of encouraging the spread of home ownership.

These complaints fell upon receptive ears in the Conservative government, and led last summer to the publication of highly controversial suggestions from the Department of Environment that some less desirable stretches of green belt should be made available for development.

This led to protests from conservationists and from Tory MPs in green and pleasant constituencies. As a result the government withdrew the offending documents and re-issued new, improved versions —the revised draft circulars on the green belt and land for housing—this February.

These had enough changes of detail and emphasis to be welcomed by both developers and conservationists; each convinced they now had it their way. For the moment, Mr Jenkin appears to have performed the delicate balancing trick of reconciling the irreconcilable interests of developers who want to build where conservationists want to conserve.

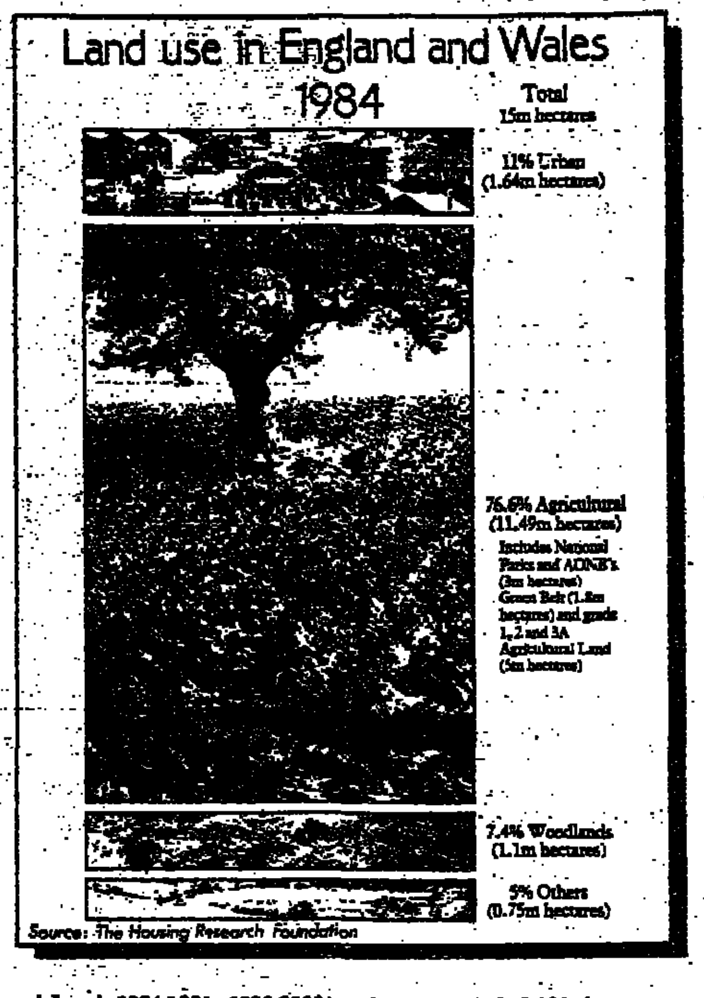
Mr Jenkin insists that there was never any question of the government moving away from supporting the green belt policy. "But we had evidence that the system had become tilted in favour of those opposed to housing and wanted to redress the balance.

Allocation of land must not be left to vested interests and anti-developers, but must be related to demand and to where people want to live."

This emphasis on responsiveness to market demand is a key feature of the DoE's latest draft circulars, and it is the phrase the housebuilders have happily picked up as showing that the debate is moving their way.

But the major problem is that although the government insists the provision of housing land must be related to demand, it refuses to produce any forecasts of need or measures of demand as guidelines for planners or builders.

In the absence of firm figures from the government, the Housing Research Foundation (HRF) carried out a study of demand for housing and its implications for land supply to the end of the century (Housing and Land, 1984-1991; 1992-2000).



Source: The Housing Research Foundation

This study—the research team for which included representatives from builders' and planners' organisations—predicted that between 200,000 and 220,000 new houses would be needed in England and Wales each year for the rest of the 1980s, and between 180,000 and 200,000 a year throughout the 1990s.

According to Mr Andrew Tait, HRF's director, this level of building—which adds up to 3m new houses by the year 2000—can be accommodated without damaging the countryside because at the end of the century 88 per cent of land will still be countryside compared to 89 per cent now."

In looking at the amount of countryside going for housing, the DoE quotes Ministry of Agriculture statistics which show that the amount of land being developed has actually been falling. Before the war, 23,000 hectares of agricultural land in England changed use every year.

This fell to between 14,000 and 16,000 hectares a year after the war, and 5,000 hectares a year over the last five years.

The DoE estimates that 60 per cent of this was used for housing, and opinion in the Department is that even if the housebuilders get all the land they wanted on the level indicated by the HRF report, this would still not be substantial compared with the pre-war rate of transfer.

But these encouraging figures mask the real problem, because they give a countrywide picture. The crunch comes in south-east England, where there is greatest demand for housing.

At present, 36 per cent of private housing starts are in the south-east, and within five to seven years most of the desirable and available land will have been used up. So it is here, said Mr Tait, that "planners are going to have to make hard choices or build fewer houses."

The conclusion is inescapable. Within 10 or 15 years demand for housing land in the south-east is going to force local authorities to consider re-drawing the boundaries of the present green belt.

This might not be the case if more public money were ever allocated to reclaiming derelict land in inner city areas. This is the answer favoured by conservationists.

There are problems not just of identifying how much inner city land is available for housing and whether its owners would allow it to be released for development, but of the high cost of making it usable when it may be poisoned with waste or have derelict buildings on it.

Ironically, land for factories is much less of an issue in the current debate than land for housing.

Given the choice between new employers—particularly high technology companies—getting the prestige green belt sites they want or taking their jobs elsewhere, local authorities tend to let them have the land they ask for.

But just as uncontrolled ribbon development along roads in the 1930s helped provide the impetus for the original green belt policy, so are the new motorways fuelling the present debate.

So far, much of the discussion has centred round the "golden triangle" to the west of London, with its easy access to London airport and where the M3, M4 and M1—and soon the M25—all converge.

Mr Jenkin has already suggested that the new M25 orbital motorway round London could help to take the pressure off the west and encourage development to go to the less favoured areas of Essex and Kent to the east.

But even though Mr Jenkin might hope that new building will go on urban and neglected sites rather than green belt land, these moves to encourage development in Essex could force him to show where he stands on the green belt issue.

Consortium Developments is a group of Britain's largest builders who want to build new villages of 4,000 to 5,000 houses, complete with schools, health centres and other facilities, within commuting distance of London.

The company is actively looking at five sites—and there is a strong chance that the first it opts for may be in the Essex green belt.

If it does, the final decision is likely to rest with Mr Jenkin. Sorting out what happens next is likely to be just as vigorous and rumbustious as he expects.

U.S. Department Stores

The fast-growing minnow pursues a stylish whale

By William Hall in New York

LES WEXNER is an angry man. Three days after his company, the curiously-named Limited Inc, had launched the biggest takeover bid in U.S. retailing history for Carter Hawley Hale (CHH), the most chic retailer in America had not even bothered to return his calls.

"Reagan can call Russia, but these guys cannot return a phone call," complained the 46-year-old Mr Wexner. Los Angeles-based Carter Hawley Hale whose Neiman-Marcus stores pander to the whims of rich Americans, was not returning anyone's calls this week as it pondered what to do about Mr Wexner's surprise $1bn bid.

Most women in America have heard of Les Wexner's Limited's stores which cater to the tastes and lifestyles of those between 20 and 40 years of age. But at the start of the week Wall Street clearly had not.

"It sounds a bit like the minnow trying to swallow the whale," was the immediate reaction of one analyst on hearing that this virtually unknown company from Columbus, Ohio, was planning to take over one of the leading members of the U.S. retailing establishment, which was three times its size to boot.

Aside from controlling the biggest department store operation in California, the biggest state in the union, Carter Hawley's 1,100-store empire includes such well-known names as New York's Bergdorf Goodman, Philadelphia's John Wanamaker, Montreal's Holt Renfrew as well as Texas-based Nieman-Marcus, in whose Dallas store the wealthy can order everything from a string of Arab stallions to a desert island.

No two companies in the retail end of the U.S. rag trade could be more different than the 58-year-old Carter Hawley Hale (Mr Carter and Mr Hale have retired from the business but there is still a Mr Hawley running the show) and The Limited which was started only 20 years ago by Mr Wexner, who had fallen out with his father about how to run the family women's wear store.

Carter Hawley Hale, which employs four times the staff of Limited and is a general merchandiser as opposed to a specialist retailer, was once described by Forbes Magazine as having an "almost limitless fascination with buying up great old retailing names and trying to convert them into profitable businesses."

At one stage Carter had its eye on Harrods and bought a 27 per cent stake in the House of Fraser which it later sold to Tiny Rowland's Lonrho. The following year it popped in a bid for Chicago's Marshall Field, the day after Field's chairman had died. This was considered to be in poor taste by the U.S. department store world. Wall Street arbitrageurs have never forgiven the company for pulling out of the deal and leaving them with hefty losses.

CHH has one of the most distinguished boards of directors of any major U.S. company al-

though its profit record leaves a lot to be desired. Its earnings peaked at $69.7m in 1979, slumped over the next two years and have never fully recovered despite a 50 per cent increase in revenues to $3.6bn.

By contrast, Limited's recent track record is among the best in the industry. Three years after Les Wexner had borrowed $10,000 to start his store in opposition to his father, Mr Wexner Sr and his wife, Bella, admitted they had made a mistake and came to work for their son (Bella is still the company secretary). Apart from a hiccup in the late 1970s when the group was forced to cut its dividend, Limited has grown by leaps and bounds on the back of a successful formula—specialising in opening small stores selling women's clothes in almost 1,000 shopping malls across the U.S.

By 1982 the group's shares were listed on the New York Stock Exchange, and it set off on the takeover trail with the $106m acquisition of the 249-chain Lane Bryant Stores which cater for the "special-size women." It claimed that it was the biggest specialist retailer catering for women in the world. Last year it chalked up sales of $1.1bn.

Although his company is far smaller than Carter Hawley, Les Wexner's success means that Limited is worth more in stock market terms than Carter, even after the sharp rise in the latter's share price over the last week.

By the end of the week Wall Street had taken to Les Wexner in a big way. "I think he is a brilliant strategist. He has an incredible sense of fashion and is good with people," says Margaret Gilliam, First Boston's retailing analyst. Morgan Stanley, normally one of the more reticent investment firms, also went into raptures about Mr Wexner's business, describing it as "a superb organisation with a fashion forward look. It's a dynamic growth company and a trend setter for specialty retailing on the leading edge of fashion merchandising."

There were a few Jeremiahs in the rag trade who questioned whether Mr Wexner was taking on more than he could handle. Despite recent diversification moves his company's success is "based on a tremendous amount of expertise in a relatively narrow field," according to one rival. Limited's stores tend to average under 10,000 sq ft in size while CHH's department stores are over 100,000 sq ft apiece.

What happens next is up to the 59-year-old Phil Hawley, who has been running the sprawling department store group for more than a decade. Will Carter Hawley's retailing establishment friends rally round and help Mr Hawley defeat the Ohio upstart? BAT Industries, which eventually bought Marshall Field, is frequently mentioned as a possible "white knight." One way or another, Les Wexner is expecting a phone call from Mr Hawley.

Weekend Brief

Wogan's new balance sheet

"I used to be able to read a balance sheet," says Terry Wogan with a touch of pride. "But I have to admit that I couldn't do it now."

Listeners to the genial Irishman's early morning radio show may well have read in the newspapers this week that Wogan and his film company Queensgate have teamed up with international publishers McGraw-Hill to launch a new series of animated business training films. Very few of his fans, however, are likely to know that before he began his glittering career as quiz game presenter and interviewer of the famous he worked for five years as the humble employee of a Dublin bank (The Royal Bank of Ireland as it then was is now part of Allied Irish Bank).

"My colleagues were a terrific bunch of people," he recalls, "and some of them are still good friends. They were certainly not wasted years and I could easily be there if things had not worked out differently."

Whilst Wogan's early commercial experience has nothing to do with the new venture—the idea was first suggested to him seven years ago by an old friend and business partner Vincent Finnegan—his background in banking enables him to sympathise with the many financially unsophisticated business people and company employees at whom the films are aimed. "Words like cash flow strike fear into my heart," he explains. "Instinctively any intelligent person knows what it means but the whole purpose of the series is to break down some of the jargon which puts people off."

Wogan's voice and gentle humour, of course, are ideally suited to narrating and presenting the 17 cartoon films (three are now ready with the rest due for completion in the next 2½ years). It is his role as shareholder, however, which in this case is more fascinating.

While TV and radio without him might seem unthinkable at the moment, Wogan is only too well aware that his popularity could wane. "I am like a one product company with a couple of large customers both of which are fortunately eager for my services at the moment. Perhaps I could play them off against each other but some time ago I decided that it would be better to diversify and get another couple of strings to my bow."

His first business venture (set up in 1979) was a show business management agency run by Jo Gurnett. It invoved a modest capital outlay and now successfully promotes the likes of Anna Ford, Kenny Everett and Gloria Hunniford. Queensgate followed three years later with Finnegan (formerly an accountant with BOC) and John Howson (ex Polygram) the other shareholders. The company has done promotional work for major companies, such as Trafalgar House, and according to Wogan is just about coming into the black. His own involvement, certainly with the latest project, is largely confined to the writing of the script. "I put myself in the position of Everyman trying to grasp the terminology and keep it simple. If I don't understand it other people won't either."

As for money generally, Wogan may not have to worry about the extra percentage point from a building society but he does take an interest in his accountant's advice. I try

Terry Wogan

to stay as liquid as I can. I don't play the Stock Market or have any major investments like that.

"I am involved in an industrial building scheme and I pay pension contributions up to my ears but I can't understand people who make money and then spend all their time distancing themselves from it, putting it in the Cayman Islands or Jersey so they don't have to pay tax."

While Wogan admits he is at a sort of cross-roads—his TV and radio contracts come up for renewal this year—the chances are he will not be a full time business tycoon in the foreseeable future. Ideally, he would like to do a nightly chat show on television (along the lines of American Johnny Carson) though he admits he is not sure whether such a series could be sustained.

New targets set for minting it

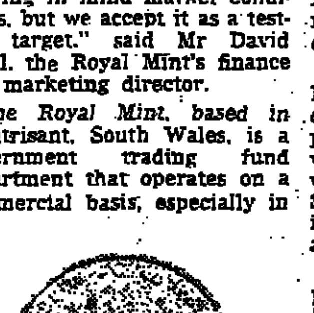
THE ROYAL MINT makes money for the UK and has done so for 94 other countries at one time or another. But one of its most difficult tasks is to make money for itself.

Last week, the Mint was told by the Treasury to achieve a real rate of return on operating profits over the next three years of not less than 12 per cent per annum as a percentage of net assets at current cost. The last target—set for the period between April 1981 to March 1984—was 11 per cent per annum.

Although that figure was easily achieved for the period as a whole—1981 was a particularly good year because of the huge demands for coins commemorating the Royal Wedding —last year's profit was down to 7.8 per cent, reflecting the lowest demand for coins for many years.

"The new target is high bearing in mind market conditions, but we accept it as a testing target," said Mr David Snell, the Royal Mint's finance and marketing director.

The Royal Mint, based in Llantrisant, South Wales, is a government trading fund department that operates on a commercial basis, especially in



Reverse of the new St Helena 50 pence coin commemorating Prince Andrew's visit

overseas markets. Around half of its sales are to overseas customers.

"Our business falls into three main categories," said Mr Snell. "Firstly we have a contract to produce circulating coins for the UK. It is a fixed price contract, set each year with the Treasury.

"Then we produce coins for other countries and here we are in competition with other mints. At the moment we are supplying around 20 countries with their coinage." These include The Falkland Islands, Hong Kong, Morocco, Iceland, Kenya, Bahrain and Bermuda.

"Competition is extremely tough at the moment. We are competing against 13 countries for one tender we have recently put in for. Both worldwide and domestic demand for coins is at a low level. Countries you would normally expect to re-coin are not doing so because of economic difficulties."

Another way the Mint makes its money is by producing collectors' coins both for the UK and overseas. In this field, North America is second after the UK in its demand for the Mint's coin sets.

The Mint has had to cope with lower demand and increased competition by increasing its productivity and cutting its workforce. In 1978 1,400 people were employed by the Mint in South Wales. Now this figure is down to 950. There is also a London sales force of 20.

"Although a 12 per cent profit target is high," said Mr Snell, we have achieved it in the past and there's no reason why we should not try to achieve it now. We have got a modern Mint and a good reputation behind us."

Comparable profit figures for all industrial and commercial UK activities, including North Sea Oil, were 9.6, 9.6 and 11.3 for the first three quarters of 1983.

David Bintley

Oily stage for a new ballet

David Bintley, the 26-year-old ballet dancer and choreographer who this week won the London Standard's award for ballet achievement in the past year, is proving that he can attract money as well as awards.

Next Tuesday the Sadler's Wells Royal Ballet is premiering a controversial new ballet — called Metamorphosis — by Bintley which, significantly, has attracted the first UK ballet sponsorship by the U.S. oil giant Conoco.

Conoco's willingness to back the fledgling Bintley's latest creation is significant in that most multinational sponsors of the arts usually prefer to play safe and support a new production of Swan Lake or Sleeping Beauty. Such ballets are easier on the eyes and ears of the many guests that sponsors are allowed to bring along to the events play support.

Conoco, however, has decided that its first dally with the ballet should be a little more adventurous although Phil Wheeler, the Conoco executive in charge of sponsorship, admits to being "a little anxious" about the plot of Bintley's new ballet.

His fears may not be altogether unfounded since Metamorphosis is based on Franz Kafka's novel of the same name which begins: "As Gregor Samsa awoke one morning from uneasy dreams he found himself transformed in his bed into a giant insect." Metamorphosis charts the gradual decline of Gregor Samsa but more particularly the changes in attitude of his family: a haunting parable on human reaction to suffering and disease. Hardly the sort of thing to discuss easily in the interval over a glass of champagne.

So why has Conoco backed this ballet? "We were certainly very attracted by the idea of supporting the work of such a rising young star as David Bintley," says Mr Wheeler. Conoco has, in fact, sponsored the Kent Opera at Sadler's Wells theatre for the past four years but jumped at the chance to support Bintley and the resident ballet company when Sainsbury's decided not to back this particular season (Sainsbury, to be fair, supports much of the SWRB's touring work as well as most other London seasons).

Conoco, however, is also keen to attach itself more closely with the Sadler's Wells theatre and ballet company which Mr Wheeler sees as "a first-class operation." Conoco also gets some tangible rewards in having its name associated with Metamorphosis wherever it is performed and also has shrewdly gained the kudos—whatever the reaction to Tuesday's premier—of being seen as a little more avant garde than the usually run-of-the-mill oil company.

All this for a relatively modest outlay (Conoco is reluctant to say exactly how much) as well as the added bonus of having staked its claim to sponsor future ballets by Mr Bintley. With the arts world facing a critical cash crisis, any extra money that can be drawn in from big business would probably be cherished by David Bintley and his colleagues far more than all the awards on offer.

Contributors:

Tim Dickson

David Hellier

David Churchill

BUILDING SOCIETY RATES

	Share a/cs %	Sub'on shares %	Others %	
Abbey National	6.25	7.25	7.25	Seven Day Account
			7.75	Higher Interest acc. 90 days' notice or charge
			5.00-6.50	Cheque-Save
Aid to Thrift	8.50			
Alliance	6.25	7.25	7.25	Monthly income—3 months' notice
			7.50	28 days' notice. Imm. withdwl., 28 days' penalty
			7.25	7 days' notice. No interest penalty
Anglia	6.25	7.25	7.75	3 year Bond. No notice. 3 months' penalty
			7.50	Capital Share. No notice. 1 months' penalty
			7.25	7 days' notice. No interest penalty
Birmingham and Bridgwater	6.25	7.75	7.25	5 days' notice or 20 days' int. pen. £500 min.
			7.75	Guaranteed fixed rate. 12 months. £500 min.
Bradford and Bingley	6.25	7.25	7.25	7 ds not. no loss of int. or imm. wd 1 m loss of int.
			7.25	7 days' notice or on demand
Britannia	6.25	7.25	7.25	7 days' notice, 7.50 28 days' notice
Cardiff	7.25	*7.75	*7.50	Share Account balance £10,000 and over
Catholic	6.50	7.50	7.75	at £5001 + monthly int. Extra Share
Century (Edinburgh)	7.75	—	8.75	Variable. 8.85 Permanent 2/3 years
Chelsea	6.25	7.25	7.75	Immed. withdrawal (int. pen.) or 1 mth's not.
Cheltenham and Gloucester	6.25	7.25	7.50	Gold account £1,000 +. No notice. No penalties Monthly interest £5,000 min. 7.76 if added to account
Citizens Regency	6.50	8.00	7.40	Plus account no penalty. Double option 7.50
City of London (The)	6.50	7.25	8.00	6 months' notice—no penalty during notice
Derbyshire	6.25	7.50	8.00	7.25 1 months' not., 6.75-7.60 3 months' notice
Greenwich	6.25	7.50	7.25-7.50	subject to bal./7 days' notice
Guardian	6.50	—	7.75	3 months' £1,000 minimum
Halifax	6.25	7.25	7.25	Xtra Interest, 7 days' notice, no penalty
			7.50	Xtra Interest PLUS 28 days' notice, no penalty
			7.75	Special Inv. Cert., 3 months' notice/penalty
Heart of England	6.25	7.50	7.25	5-day notice. 7.25 Flexi-Term
Hemel Hempstead	6.25	7.50	7.75	3 years 7.60 28 days, 7.35 over £5,000
Hendon	7.25	—	7.75	3 months
Lambeth	6.40	7.50	8.05	28 days' plus loss of interest 7.25 3 months'
Leamington Spa	6.35	—	7.50	Top Ten ¼ly interest, 7.75 Lion Share
Leeds and Holbeck	6.25	8.00	7.75	3 yrs., monthly int. 7.75 1 mth., notice or pen.
Leeds Permanent	6.25	7.25	7.50	Ex. Int. £500 min. 28 days' notice/penalty
Leicester	6.25	7.25	7.98	compound. 3 years. 7.25 3 months
London Permanent	6.75	—	7.75	1-year term. Imm. wdl. with loss of 1% bonus
Midshires	6.25	7.75	7.75	3-yr term with 0.5 bonus on mat'y if reinv'td.
Mornington	7.50	7.50	—	Immediate withdrawals—no penalty
National Counties	†6.55	7.55	7.80	1 month notice (no penalty). †£1,000+
National and Provincial	6.25	7.25	7.50	1 month's notice or immediate and interest loss
Nationwide	6.25	7.25	7.75	Capital Bonds. 3 yrs. £500 min. wdl. with 90 days' loss or notice. Bonus account 7.25, £500 minimum withdwl. with 28 days' loss or notice
Newcastle	6.25	7.50	7.75	4 yrs., 7.25 28 days' notice, or on demand with penalty. 7.50 90 days' notice, or on demand with penalty
Northern Rock	6.25	7.50	7.50	Moneyspinner plus. 7 days' notice wdl. No pen. min. invest £10,000
			7.25	On invests. £1,000-£9,999
Norwich	7.25	8.50	8.50	City Acc. Immed. withdls. with no penalty
Paddington	7.75	9.25	8.75	1 mth's not. or 1 mth's int. loss on sums wdn.
Peckham	7.00	—	7.50	7 days, 8.0 3 months
Portman	6.25	7.75	7.75	Two months' notice. 7.25 no notice
Portsmouth	6.55	8.05	8.40	5 years', 8.00 6 months'. 7.75 3 months'
Property Owners	6.75	8.00	7.75	28 dys', 7.75 3 mths', 8.10 6 mths', 7.50 mthly inc
Scarborough	6.25	7.50	7.25	Money Care and Free Life Insurance
Skipton	6.25	7.50	7.25	£1,000+, 7.50 £5,000+, 7.75 £10,000+, no penalties, no notice
Stroud	6.25	7.50	7.85	3 mths', 7.60 £10,000+ no penalty, no notice
Sussex County	6.25	8.00	7.25	7 days' notice, 7.50 SxSh, 6.50 Sh a/c £2,500+
Sussex Mutual	6.50	8.00	7.75	Monthly income at 1-month's notice
Thrift	8.15	—	9.15	3-year term. Other accounts available
Town and Country	6.25	7.25	7.75	3 yrs' ½ yrly. int. Monthly income wdl facility
			7.50	7 days' notice no interest penalty. ½yrly int.
Wessex	7.60	—	—	No notice. No penalties
Woolwich	6.25	7.25	7.25	7 days' notice
			7.50	28 days' notice or on demand (interest pen.)
Yorkshire	6.25	7.25	7.75	Diamond key, 60 days' penalty or 28 days' notice without penalty

New rates above apply from 1st April 1984

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Losses over £5m mark at Lyle Shipping

A VERY LOW level of freight rates for bulk carriers was primarily responsible for a £5.05m pre-tax loss, against £4.79m, incurred at Lyle Shipping in 1983.

Shipping losses more than doubled from £3.9m to £8.23m, and there was also a substantial downturn in Lyle's offshore services with profits of £1.45m turned into a £1.17m deficit.

The group loss was struck after the release of a £3.4m credit (debit £3.4m) provision against future losses. Turnover fell from £25.02m to £20.67m.

Present estimates by the directors indicate that the group "must expect" to incur a loss again this year after finance charges, although measures taken in bulk shipping "should contain" the deficit to a considerably lower level, they add.

A modest uplift would, the directors say, restore bulk shipping operations to profitability, but they point out that despite recent improvements, the existing balance between supply and demand for Lyle's class of ship is "not encouraging."

No final dividend is recommended, leaving the reduced interim payment of 2p as the year's total compared with 7.5p in 1982 when the final was 3p.

Loss per 25p share amounted to 52.1p (51.8p) on a net basis, or 51.2p (48.6p) on a nil basis.

● comment

Lyle's £5m pre-tax loss was far worse than expected even by a market hardened to the pessimism of its earlier announcements. The shares slipped 14p to 78p, just above their all-time low, capitalising Lyle at £7.8m, a fraction of net asset value. Bulk carrier rates are so poor that it is debatable whether to operate ships or keep them idle, and offshore services had an appalling year. If the market thinks Lyle is foundering, however, the bankers who agreed to reschedule its debts might demur. Gearing, which had reached nearly 100 per cent of shareholders' funds in the previous year (not including lease obligations as debt) has deteriorated further, but the bulk of the borrowings are long term. Meanwhile, the group is deferring the delivery of two $20m bulk carriers from Japan and striving to reduce operating costs on its ships. Yet borrowings should rise again this year as Lyle incurs the first slab of its Japanese debt, and profits look out of the question at least until 1985. But as one of the purest shipping investments around, Lyle offers those with strong nerves a highly-geared chance to take a view on any upturn in the industry.

Vita Pacific

Vita Pacific, 40 per cent associated company of British Vita, has been floated on the Australian stock market with the A$13.5m (£8.9m) issue of 20 per cent of its equity. British Vita retains its stake and the remaining 40 per cent will be held by Foamco Holdings, the family company of Mr George Szalmuk, Vita Pacific's founder.

Hill Samuel Australia is managing the sale and joint underwriters are the Australian Mutual Provident Society, Cortis and Carr stockbrokers and Hill Samuel Securities.

Hay & Robertson

Hay & Robertson, canvas and textile manufacturer, made a profit of £3,736 on turnover of £58,424 in the six months to December 2 1983.

There is no tax, but an extraordinary debit of £4,250 — a £27,000 ex-gratia payment to a retiring director, less £22,750 insurance claims receivable—left an attributable loss of £514. The preference dividend is again omitted.

Yorkshire Chemicals up but £0.5m stock deficiency

A RECORD level of production and sales at Yorkshire Chemicals generated more than doubled pre-tax profits of £568,000 in 1983, against £244,000 previously. However, the directors say the results are a considerable disappointment compared with their expectations at the half year.

They give two major reasons. First, the results for the second six months reflect the impact of adverse currency movements. Not only did realised exchange gains of £151,000 give way to losses of £84,000 in the second half, but sales and margins were some £300,000 lower than if they had been translated at average rates ruling over the first six months.

Second, a full physical stock count at December 31 1983 revealed a deficit of over £500,000. An investigation conducted by a special team of company officials, and auditors Robson Rhodes and Price Waterhouse, has shown that part of the deficit arose in the first half. As a result, pre-tax profits at June 30 1983 were £450,000 and not £664,000 as reported.

The directors explain that an unfortunate consequence of this error was to exaggerate the forecast margins for the year as a whole. They say the investigation has identified a number of imprecisions in group practices which have become magnified during a period of rapid expansion.

Stock checks taken at the end of February 1984 indicate however, that these errors have not recurred. In the short term these checks will be repeated at more frequent intervals and in the longer term, recognising that existing systems fail to provide an adequate level of detailed control information, management has been working on new computerised systems which are due to be introduced later this year.

Sales and production volumes continued to advance in the second half of 1983. Group external sales for the year were 35 per cent higher at £28.26m (£20.88m), with all the gain reflecting increased volume.

Trading conditions showed a modest improvement during the year, mainly in western Europe and North America, but competitive pressures remained intense, with prices depressed.

Prospects however, remain encouraging, the directors state, as the group continues to broaden its product range in the field of speciality chemicals.

The dividend for 1983 is raised from 1p to 1.25p net. Earnings per 25p share rose sharply from 0.5p to 3.4p, reflecting a lower tax charge of £102,000 (£164,000).

● comment

What should have been a year of progress on the strength of economic recovery and a tremendous sales effort turned into disaster. Yorkshire has moved quickly to make sure mistakes are not repeated—introducing more sophisticated currency management and carrying out a complete overhaul of stock control, including a new computer. But for 1983 it was too late; the market had a nasty surprise and inflicted immediate punishment, taking 9p off the shares which closed at 59p. In mitigation, it must be said that the company has worked very hard to build up sales, particularly exports, against heavy competition from the West German and Swiss majors and ICI. The priority now must be to control the heavy selling and distribution costs to extract better margins. Beyond this, Yorkshire is looking for growth from the non-dyestuff business which has been built up rapidly since 1982. It is expected to make a significant contribution to profits for the first time in 1984. Despite the trauma, Yorkshire remains on the path of recovery but its progress will be more modest than once predicted. For the current year £1m looks possible, against previous forecasts of £2m or more. The prospective price earnings ratio is just over 9, assuming a tax charge of 18 per cent.

Sharna Ware recovery continues

A FURTHER improvement in profits accompanied by an increase in the dividend have been announced by Sharna Ware for the 12 months to end-December 31, 1983.

Taxable profits expanded from £686,868 to £806,285 and mark the third year of increase following the sharp decline in 1980. The dividend total is being raised from 2.23p to 2.453p by a higher final payment of 1.553p (1.33p).

Group turnover of this manufacturer of plasticware, toys and cash and carry operator rose by £4.05m to £24.71m.

Commenting on the year the directors say that the manufacturing division maintained its level of profitability, despite the low level of activity which persists throughout the industry as far as traditional toys are concerned.

The acquisition of Tri-ang Toys, they say, re-establishes a name recognised as a proven brand leader over many generations, and there is some optimism that this company will make an early worthwhile contribution to the profits of the division. It has made a small profit during the period, they add.

The cash and carry division improved its results and the new 60,000 sq ft cash and carry warehouse to be developed at Stockport, scheduled to open at the end of the year, will further improve the performance of the division, they point out.

The directors expect to continue the group's expansion programme and say that the opportunity will be taken to gain full advantage from resources in both operating divisions.

Net profits for the year came out at £458,842 (£381,957) after tax of £347,443 (£304,911), and earnings per 20p share rose to 11.6p (9.66p). Extraordinary items took £12,026 (£31,099), leaving attributable profits of £446,816 (£350,858).

Dinkie Heel

After slipping midway, safety toe cap and shoe repair component maker Dinkie Heel has increased pre-tax profit for 1983 from £124,783 to £159,843.

At halfway taxable profits were down at £55,000 (£57,000) on higher turnover, but the directors said overheads had been reduced following the sale of the Kingswood factory.

Turnover for the year totalled £1.86m (£1.82m).

Taxation took £53,639 (£37,227) but attributable profits were boosted to £124,889 (£87,556) helped by the Kingswood sale which realised £68,485. There was a transfer of £50,000 to deferred taxation.

A recommended final dividend of 0.35p (0.25p) making 0.55p (0.4p) for the year.

Earnings per 5p share rose to 1.18p against 0.97p.

Western Motor deeper in the red at £0.69m

PRE-TAX LOSSES of Western Motor Holdings increased from £281,000 to £694,000 in 1983, on a higher turnover of £39.72m, against £35.12m. Losses per 25p share rose from 15.09p to 26.96p and, as in the previous three years, there is no ordinary dividend.

Gross profits were down from £7.12m to £6.36m, before deducting administration expenses of £1.84m (£1.76m), other charges £4.39m (£4.71m), and interest payments of £833,000 (£930,000).

Tax took £2,000 (£34,000), but there were extraordinary credits of £201,000 (£199,000 debits) and minority and dividend credits of £154,000 (£12,000). The retained loss was reduced from £526,000 to £341,000.

Net asset value per share dropped from 207p to 167p.

Following continued heavy losses in the car delivery division, a detailed review of its operation has identified several courses of action. Although corrective measures have been commenced, the directors say, their effect will take some time to flow through to the profit and loss account.

Included in extraordinary items is the cost of writing down certain assets considered no longer of value to the company, but previously carried in the balance sheet at £395,000.

The retail motor division traded at a small profit, thus showing an improvement over the previous year. A thorough examination of the assets employed in this division is continuing, with particular emphasis on the improvement of margins.

The sale of the leisure division on December 30 1983 was completed at the written down value as at December 31 1982. Therefore the figures for this division have been excluded from both the 1982 and 1983 results.

The sale of the HQ premises at Plymouth was completed on December 30 1983. This resulted in a surplus over cost of £602,000, which is included in extraordinary items.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Chepstow Racecourse	1*	—	1†	1	1
Dinkie Heel	0.35	July 2	0.25	0.55	0.4
Exeter Building	4.5‡	May 3	4.5	7	7
Finlay Packaging	2.25	June 14	1.75	3	2.25
Lyle Shipping	Nil	—	3	—	7.5
N. Brit. Canadian	3.8	July 9	3.6	5.7	5.35
Reliable Properties ...int	1.25	May 7	1.35	—	3
Scot Metropolitan ...int	1.6	Aug. 15	1.5	—	3.5
Sharna Ware	1.55	—	1.33	2.45	2.23
Sumner Products	0.63	—	—	0.63	—
Yorks Chems.	1.25	—	1	1.25	1

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Adjusted for share sub-division.

Profits leap to £1.2m at Finlay Packaging

HIGHER TURNOVER together with better margins resulted in more than doubled pre-tax profits of £1.2m, against £593,000, at Finlay Packaging in calendar 1983.

Belfast-based colour printer and packaging materials manufacturer Finlay enjoyed a pick-up in turnover throughout the 12 months, and at the year-end the total was some £3.11m higher at £9.83m.

At the interim stage, the company reported increased profits of £609,000 (£272,000) on sales of £5.08m compared with £3.41m.

Trading profits for the year climbed from £431,000 to £1.08m and the taxable result was struck after unchanged interest payable of £9,000 and included interest receivable and similar income of £126,000 (£171,000).

The total dividend is boosted by one third to 3p (2.25p) with a final payment of 2.25p (1.75p). Earnings per share were up at 8.51p (3.19p).

Tax took £466,000 (£319,000) and there was an extraordinary debit this time of £68,000. Dividends will take £257,000 (£193,000) to leave retained profits well ahead at £405,000 (£81,000).

First Leisure offer heavily oversubscribed

Applications worth more than £350m were received for First Leisure Corporation's offer for sale of 6m shares at 180p each.

The offer was oversubscribed 31.5 times, with about 100,000 applications received for a total of 195m shares. Dealings in the shares on the Stock Exchange are expected to begin on April 12.

Applications from employees have been accepted in full and the remaining shares have been allocated on the following basis:

Applications for 100 shares—ballot for 100 shares; between 200 and 300 shares—weighted ballot for 200; between 400 and 500 shares—weighted ballot for 300; between 600 and 700 shares—weighted ballot for 400; between 800 and 900 shares—weighted ballot for 500; between 1,00 and 1,500 shares—weighted ballot for 600; between 2,00 and 20,000 shares—weighted ballot for 700; for 25,00 shares and over—3 per cent of number applied for will be allocated.

Peek Holdings

Losses at Peek Holdings accelerated through the second six months and left the company with a pre-tax deficit of £313,000 for 1983, compared with a previous profit of £244,000.

Full-year turnover fell from £5.2m to £4.55m—the company is engaged in storage and handling of grain and animal foods. Loss per 7p share emerged at 1.92p (1.65p earnings).

Chepstow Racecourse

Pre-tax profits of Chepstow Racecourse edged ahead from £32,000 to £34,000 in 1983.

Turnover was £515,000 (£624,000) and tax took £12,000 (same). The comparatives have been restated. A net dividend has been recommended of 1p (4p before the £1 shares were subdivided into 25p shares). Earnings per 25p share came out at 4.9p (4.5p).

Cement Roadstone

Applications have been received for 73 per cent of the 45,078,810 ordinary shares offered in a recent one-for-four I£27m rights issue by Cement Roadstone. The balance of shares has been placed in the market.

BIDS AND DEALS

Evered leaps over Caparo with new Brockhouse bid

BY RAY MAUGHAN

Evered took the leap-frogging battle to acquire Brockhouse a step further yesterday when it launched a new offer for the loss-making West Midlands engineering group, which caps the latest offer from Caparo Industries.

The latest terms comprise 17 Evered new ordinary shares for every 30 existing Brockhouse ordinary shares. Taking Evered's price of 108p, down 3p ex all last night, adjusted for the group's £5.3m rights issue, the offer values each Brockhouse share at 61.2p and produces a market capitalisation of £10.58m.

Once again, Evered is supporting its equity bid with a cash alternative worth 53.8p per Brockhouse share, which Robert Fleming, Evered's financial adviser, has underwritten at a price of 95p per Evered share.

That may not be the end of the matter, however, for Mr Swraj Paul, chairman of Caparo, said yesterday that "we are looking at the position and we will possibly have more to say on Monday or Tuesday."

This new offer, he said, "does not take us out of the running." More to the point, Caparo has now amended the terms of its own cash alternative, initially worth 46.8p, when it acquired 225,000 Brockhouse shares in the market at 53½p. In accordance with the Takeover Code, Caparo's cash alternative now rises to meet these market purchases.

Caparo first became involved in January when, recognising Brockhouse's looming liquidity problems, it undertook to inject £5m of new funds in return for a 61.7 per cent stake.

Those proposals were turned down by Brockhouse's shareholders as it became known that Evered was preparing an offer worth £7.2m. Caparo quickly responded with a £9.2m, worth 58.2p per Brockhouse share in convertible preference shares.

Evered's latest offer, like all the previous terms, has been agreed with the Brockhouse board which, once again, has been obliged to withdraw its earlier recommendations.

Lovell in £11.6m acquisition

Y. J. Lovell (Holdings), the construction, plant hire and timber importing group, is to pay £11.64m in cash and shares in an agreed bid for Essex & Suffolk Properties, the Rayleigh-based house-builder.

Essex & Suffolk trades as Laurence Homes with most of its business concentrated to the East and North of London. It has a land bank of more than 850 plots with terms settled to acquire a further 300 and is currently selling about 250 homes a year.

The company made a pre-tax profit of £1.7m in the 10 months ended January 31, 1984 on turnover of £7.6m. The book value of net tangible assets at that date, after taking into account the sale of £4m worth of assets, was £8.5m, including cash balances of £3.7m. Lovell plans to pay £7.78m in cash and issue 2.5m of its own shares, which will be placed on behalf of the vendors with a number of institutions by S. G. Warburg.

Lovell's shares fell 2p to 165p yesterday.

Mr Norman Wakefield, the Lovell chairman, said: "The investment that Lovell has made in its land bank over recent years will be further enhanced by the acquisition. Of equal importance is the fact that an experienced management team now becomes available to us in a part of the country where we have not previously operated."

Essex & Suffolk is to be operated through its existing management team as a subsidiary of Lovell Homes. It will complement Lovell's other regional operations which cover London, the Midlands, the south-east and the south-west.

Immediately before reaching agreement with Lovell, the vendors of Essex & Suffolk and their associates agreed to buy £3.6m worth of assets, consisting mainly of undeveloped land, work in progress at Stowmarket, Suffolk and low income producing fixed assets. A further £400,000 worth of property will be sold to third parties. The two founders and principal shareholders of Essex & Suffolk, Mr D. Elman and Mr H. Lawrence, a non-executive director, will retire from the company.

Turnover rose from £3.7m to £6.84m in the five years to March 31 1983. Pre-tax profit was £1.52m at the end of the period compared with £828,000 at the beginning, though profits dipped sharply in 1981 and 1982.

Avana abandons bid for Bassett

Avana Group has abandoned its twice extended bid for confectioners Bassett Foods after only receiving acceptances for 951,607 shares (7.5 per cent).

Avana launched its bid in late January, in the form of a share swap which valued Bassett's shares at around 145p each. Just prior to the bid, the Bassett price had stood at around the 90p mark.

The Bassett board made it clear from the outset that the company was determined to remain independent. After a disastrous period in the late 1970s there had been extensive changes in senior management, and the new team was insistent that it should be allowed to reap the benefits of the recovery measures which it had effected.

Following an initial low acceptance, Avana first extended its offer to March 23, and by that date it had secured 13 per cent of Bassett's equity. Since then, it was announced that Swedish confectioners Cloetta had acquired a 5 per cent stake in Bassett. It is understood that Cloetta's move is a prelude not to a bid, but to the establishment of trading links.

Dr John Randall, chairman of Avana, said last night: "I think Bassett mounted a pretty vigorous defence, and congratulations are due to them. I'd be less than frank if I said I wasn't disappointed, but I did think the offer was a fair one."

Mr Bev Stokes, chairman of Bassett, said: "I'm absolutely delighted. Now we can all have a celebratory weekend."

Bassett's shares yesterday closed 10p down at 145p, and Avana's fell 1p to 52p.

BIDS AND DEALS IN BRIEF

Wilson (Connolly) Holdings is paying £2.2m for housebuilding group Chowns, whose principal development is at Duston, Northampton, borders Wilson's own project in the area.

Consideration has been met by placing about 1.21m new Wilson shares, subject to completion and admission of those shares to listing. The new equity enlarges Wilson's share capital by 2.6 per cent.

The buyer said yesterday that this acquisition provides a further 500 building plots in an area of Northampton which has already proved popular. Chowns' net worth at September last year amounted to £960,000.

* * *

Sheffield Brick has sold the business and certain assets of its manufacturing subsidiary S. W. Fabrications, for £400,000 in cash.

* * *

Comfort Lodge UK (jointly owned by the British Land Company and Comfort Hotels International) has announced that arrangements have been finalised for the construction of the first Comfort Lodge at Swansea. The hotel is expected to open early in 1985 and negotiations for three other lodges are at an advanced stage.

* * *

Following exercise of an option agreement entered into in September 1983, Wingate Property Investments has completed the acquisition of 75.6 per cent of Uptonheath Properties.

Consideration of £552,190 has been satisfied by the issue of 512,896 new ordinary shares of Wingate, which will be dealt on the USM.

Uptonheath's properties consist of warehouse premises in Central Street, EC, and office premises in Goswell Road, EC.

* * *

Following approval by members at the extraordinary meeting of G. M. Firth (Holdings), the purchase of Northampton Machinery Company has now been completed by EIS Group.

* * *

The sale of the freehold site belonging to the college of Air Training (Hamble) has been announced by the receivers of the company. The buyers were Southern Ideal Homes.

The remaining assets are to be sold in the near future, with the aircraft and spares business being sold on a sale by tender basis.

* * *

F. H. Tomkins completed the purchase of Ferraris Piston Service on April 5, but with effect from January 1, 1984. The consideration is £2.2m in cash, of which £1.7m was paid on completion, with the remainder to be paid in June, 1987.

Net assets of Ferraris at December 31 1983 were £1.48m. The vendors have undertaken that pre-tax profits for the next two years will not be less than £500,000 in each year.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Kleinwort Benson, the UK's largest merchant bank, is buying ACLI Government Securities, a U.S. government bond dealer, from Donaldson, Lufkin and Jenrette, the Wall Street investment bank, for $19m cash. The deal will make Kleinwort the first full foreign owner of one of the 37 primary dealers recognised by the U.S. central bank.

Wellington, a Manchester-based private property investment company, launched a conditional bid for property concern Weber Holdings. The offer hinges on a report of the affairs of Weber confirming that the net assets of the company are not less than £4.19m. Once this condition is satisfied, Wellington will offer 905p for each Weber share.

Booker McConnell acquired Radiance from U.S. consumer goods company Iroquois Brands for £6.29m. Radiance markets a range of vitamin supplements and is one of the largest suppliers to health food stores in the U.S.

Prices in pence unless otherwise indicated.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Aero Needles	60*	84	81	2.56	Coats (J. & P.)
Alexanders Discnt	572	573	543	28.67	Mercantile Hse
Ault & Wiborg	46*	35	33††	4.70	Sun Chemical
Black (Michael)	75§§	71	47	2.80	Emess Lighting
Black (Michael)	56	71	55	2.09	Highgate & Job
Border Brew	235§§	235	290	11.06	Marston Thmpsn & Evershed
Brockhouse	61.2	53½	41	8.38	Caparo Inds
Brockhouse	61	53½	47½	10.54	Evered
BWG	77§§	73	65††	11.70	Irish Distillers
Crosby Woodfield	14§	13	13½	3.02	Habit Precision
Dreamland Elect	31§	30	29	4.66	Valor
Edith	57*	57	47	55.95	Invs in Industry
Francis Inds	116§§	124	121	12.96	Suter Elect
GB Papers¶	73*	72	56††	5.45	James River Cpn
Hanger Invs	54§§	52	34††	4.95	Cowie (T.)
Macpherson (D.)	75*	88	68‡	13.58	Becker
Makin (J. & J.)	490*	480	243††	8.04	Bibby (J.)
Martin (Albert)	42*	49	39	3.50	Wilson & Co
Miller F. (Textls)	48§§	48	45	5.58	Vantona Viyella
New Equipment	70*§	70	49	0.50	Lathamstone
Oil & Assoc Inv	¶¶	143	137	¶¶	Cluff Oil
Panto (P.)	30*	28	23	1.28	Palmer & Harvey
Porter Chadburn	88*§	118	112	1.46	G.M. Firth
Prestige	267*	258	250	48.53	Gallaher
Prince of Wales Hotels	145*¶	145	117	7.90	Taddale Invs
Scan Data	—	103	100	—	Audiotronic

Prices in pence unless otherwise indicated.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Sharpe (W. N.)					
A N V	460*	440	470	8.10	Hallmark Cards
SIG Davall	53½	44††	35	4.07	Vinten
Sperati (C. A.)	155*	300	170	0.09	Nash (P.) & Alexander (S.)
Steaua Romana Best V	50*	50	40	5.29	Clabir Intl
Steaua Romana Defd	50*	49	38	0.86	Clabir Intl
Walker (James)	158*	156	152	14.11	Samuel (H.)
Wlkr (James) NV	131*	129	122	14.84	Samuel (H.)

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. || Loan stock alternative. ** Based on 6/4/84. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Related to NAV to be determined.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
AC Cars	Sept	224L	(334)L	—	(—)	—	(—)
Assoc Book Pub	Dec	6,280	(5,618)	23.8	(24.9)	7.5	(6.5)
Ass Ports Brit	Dec	14,500	(5,500)	23.9	(—)	8.5	(—)
Astbury & Mad	Dec	1,360	(1,200)	13.8	(12.1)	5.5	(5.0)
Automated Sec	Nov	4,400	(3,240)	—	(—)	—	(—)
Baird, William	Dec	10,490	(8,390)	38.9	(34.9)	15.75	(14.35)
Blockleys	Dec	1,010	(652)	39.5	(32.1)	12.75	(7.5)
Biomechanics	Dec	138L	(—)	—	(—)	—	(—)
Brammer	Dec	6,870	(5,670)	13.3	(11.8)	6.2	(5.9)
Bree & Cloud Hill	Jan	1,590	(1,130)	13.6	(11.3)	5.4	(4.5)
British Mohair	Dec	3,580	(1,980)	18.8	(9.5)	4.55	(4.2)
Bruntons (Mussl)	Dec	1,100	(1,506)	11.3	(15.8)	10.5	(10.5)
Bunzl	Dec	17,330	(12,690)	33.5	(26.2)	11.0	(9.0)
Bus Comp Systs	Dec	502	(510)	6.0	(6.1)	1.0	(1.0)
Christies	Dec	9,750	(3,190)	21.5	(5.5)	8.5	(7.0)
Coates Brothers	Dec	9,010	(8,860)	12.1	(11.1)	3.8	(3.42)
Conder Intl	Dec	4,680L	(638)L	—	(—)	—	(—)
Copydex	Dec	399	(154)	13.5	(4.9)	5.25	(2.5)
Dickie, James	Oct	26L	(99)	—	(4.3)	3.0	(3.0)
Elys (Wimbledn)	Jan	350	(426)	20.5	(21.4)	7.5	(7.0)
Floyd Oil	Dec	35L	(38)	—	(—)	—	(—)
Francis Ind	Dec	1,530	(1,050)	7.1	(0.7)	3.0	(2.0)
Frizzell Group	Dec	4,530	(3,440)	13.4	(9.7)	4.0	(3.0)
Glynwed Int'l	Dec	21,190	(13,730)	17.0	(14.4)	7.88	(7.35)
GRE	Dec	122,100	(106,200)	42.6	(37.7)	23.0	(19.5)
Hall R & W							

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Hickson Int'l	Dec	14,760	(7,820)	45.0	(23.0)	11.5	(7.5)
Higgs & Hill	Dec	6,060	(4,630)	45.9	(38.4)	11.0	(9.0)
Home Count News	Dec	33†	(36)†	—	(—)	5.0	(5.0)
Hse Prop Co Lon	Dec	179	(111)	10.0	(7.8)	9.0	(8.0)
Hurst, Charles	Dec	826	(458)	34.1	(19.3)	5.0	(3.68)
Johnston Group	Dec	5,900	(6,270)	30.9	(32.0)	6.5	(6.0)
Laidlaw	Dec	1,003	(3,252)L	9.8	(1.4)	1.4	(—)
Mellerware	Dec	95	(541)	10.3	(5.8)	2.52	(—)
Midsummer Inns	Jan	44	(143)	6.4	(23.9)	2.5	(2.5)
Moben Group	Dec	440	(2,350)§	0.7	(2.6)	0.5	(0.25)§
Molins	Dec	7,100	(3,200)	18.3	(22.7)	7.9	(7.9)
Molynx Holdings	Dec	61	(16)	2.6	(0.5)	—	(—)
Morrison, Wm	Jan	9,990	(8,860)	12.7	(9.8)	1.8	(1.6)
Nationwide Leis	Oct	401	(239)	0.3	(0.5)	0.25	(—)
Owners Abroad	Dec	3,730	(2,310)	5.4	(2.7)	0.75	(0.5)
Palma Group	Dec	507	(366)L	1.3	(—)	—	(—)
Phoenix Assur	Dec	23,700	(17,500)	27.7	(18.3)	19.8	(17.5)
Pritchard Serv	Jan	12,770	(12,430)	9.0	(8.5)	3.5	(3.0)
Provincial Ins	Dec	7,340	(5,590)	47.2	(38.3)	21.5	(19.0)
Queens Moat	Dec	4,460	(3,780)	3.4	(3.0)	1.33	(1.21)
Riley Leisure	Dec	2,640	(1,420)†	11.4	(7.1)	4.0	(3.6)
Rhinen. Thomas	Dec	697L	(672)L	—	(—)	—	(—)
Rotaflex	Dec	1,650	(843)	11.0	(4.0)	3.2	(2.2)
Scottish TV	Dec	2,620	(1,890)	24.6	(16.7)	8.1	(7.35)
Silkolene Lub	Dec	1,020	(1,010)	17.3	(17.2)	8.0	(7.0)
STOW Steam Fkt	Dec	2,100	(1,610)	29.8	(23.4)	12.0	(9.0)
Sparrow, GW	Dec	1,350	(1,066)	8.3	(9.2)	1.75	(1.25)
Spirax Sarco	Dec	10,990	(8,500)	16.3	(12.0)	5.7	(5.0)
Stewt. Wrightson	Dec	10,740	(9,930)	29.5	(27.5)	19.0	(14.3)
Sun Alliance	Dec	73,400	(56,800)	93.2	(73.0)	56.0	(48.0)
Sunbeam Wolsey	Dec	1,040	(580)	5.7	(3.6)	4.0	(3.0)
Vosper	Oct	2,710	(1,740)	22.3	(30.8)	5.25	(4.0)
Watts Blake Brn	Dec	3,630	(3,170)	14.0	(10.5)	4.1	(3.75)
Wills, George	Dec	610	(1,630)	7.3	(16.8)	5.0	(5.0)
Wilson (Connly)	Dec	13,350	(10,100)	18.9	(15.6)	2.48	(1.88)
Wood, Arthur	Dec	355	(41)	11.6	(1.7)	3.0	(0.5)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Amalgamtd Ent	Sept	602L	(530)L	—	(—)
Baltic Leasing	Jan	1,620	(877)	1.0	(0.8)
Beckman, A.	Dec	735	(533)	1.95	(1.95)
Burgess Products	Jan	314	(86)L	0.5	(0.5)
Druck Holdings	Dec	537	(462)	1.3	(1.1)
Dunton Group	Nov	617	(572)	—	(—)
Fredborn Finance	Jan	135	(142)	7.5	(7.5)
Kent, MP	Dec	507	(740)	0.4	(0.38)
Lon & Prov Shop	Dec	905	(880)	1.9	(2.0)
LWT	Jan	5,500	(2,810)	3.27	(4.49)
Mainmet Hldgs	Nov	291	(107)	—	(—)
Norton, W. E.	Sept	412L	(385)L	—	(—)
Photo-Me Int'l	Oct	2,200	(1,810)	3.15	(2.62)
Pifco Holdings	Oct	501	(541)	1.76	(1.26)
Prestwich Parker	Dec	128	(8)	—	(—)
Redland	Dec	1,120	(972)	—	(—)
TSW TV Sth West	Jan	378	(716)	0.5	(0.5)
Tysack, W. A.	Jan	65	(55)	—	(—)
Walker & Homer	Jan	236	(232)	—	(—)
Walker, Thomas	Dec	36	(35)	0.17	(0.17)
W Ribbons	Dec	16	(84)	—	(—)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net pence per share, except where otherwise indicated. † In £. ‡ For previous 17 months. Earnings are annualised. § Dividends and earnings for 18 months. ¶ Forecasts final dividend. L Loss.

Rights Issues

Holt Lloyd—one for four rights issue at 32p each to raise £4.5m.

Isis Group to raise £3m by way of a one for four rights issue of 150,000 shares at £21.50 each.

Norton, W. E. to raise £1.75m by way of a one for two rights issue of 44.69m new ordinary shares at 4p each.

Scottish TV—three for five rights issue of 2,136,050 shares at 135p.

Scrip Issues

Bunzl—One for one scrip issue.

Harkens Group—One for 10 scrip issue.

Offers for sale, placings and introductions

Oy Kokie—Placing of 19 ... [illegible]

[illegible]

RESULTS DUE NEXT WEEK

When a business is growing as fast as Glaxo's, pinpointing profits is neither easy nor necessary. Most UK analysts would be happy with any figure in the £108m to £120m range for Monday's interims, though the U.S. may be looking for £123m. There could be some confusion in the results as last year's £86.3m at the half-way stage will be restated for SSAP20 to around £80m and the Indian subsidiary has become an associate. The wonder ulcer drug Zantac will do wonders for 1983-84 profits too. Its launch in the U.S. in July has been one of the most successful drug launches ever, and it now takes a near 30 per cent market share there, even though it has approval for only limited applications. Drug pricing pressures are causing some worries, but forecasts for the year centre around £250m, against a restated £180m in 1982-83.

As the first major construction group to bring out its full-year figures, Taylor Woodrow will be examined closely for evidence of the industry's state of health when it publishes its results for the 12 months to last December on Tuesday. Not much growth can be expected from UK civil engineering, although the group's policy of only tendering for higher quality contracts means its margins are unlikely to have been as badly eroded as those of some of its competitors. A more lively performance can be expected from UK housebuilding, although the real source of growth should be from the group's activities in the booming U.S. and Canadian housebuilding markets. No great excitement is expected from the Middle East, but no great disasters either, since the group has on the whole steered clear of high-risk countries like Iran and Iraq. The consensus is for a rise in pre-tax profits from £28.5m to £34m, with perhaps a 1½p increase on last year's total net dividend of 19.5p.

This is universally forecast as the year in which the transformation carried out at Smiths Industries over the past few years will be translated into a quantum leap in profits. This traditionally conservative group is expected to reserve much of the good news until the full year results, but the figures for the six months to January 29, due on Wednesday, should show pre-tax profits of £13m-£15m, up from £9.5m. Loss-makers have been eliminated, notably the historic UK motor industry equipment business and the clock company. The biggest contributor to profits, Aerospace, is expected to hold steady until the predicted increase in aircraft making in 1985, but the dynamic medical division should continue to spearhead growth. Elsewhere, economic recovery should benefit the marine, industrial and distribution businesses, mostly based in the UK and the U.S., and it should produce particularly strong improvements in the Australian and South African companies, which performed poorly last year.

Rio Tinto-Zinc is expected to report another hefty profits increase when it publishes its results for the year to December last on Wednesday. Higher copper, gold and aluminium prices, and the weakness of sterling have all worked in its favour. Meanwhile, volumes all round have picked up as its customers feel the effect of economic recovery, and costs have been reduced significantly thanks to a 30 per cent cut in the labour force since mid-1982. Results already in from a number of RTZ subsidiaries give an idea of the scale of improvement, with a sharp turnround from CRA. The biggest pieces yet to be fitted into the profits jigsaw are Borax, RTZ Industries and Rossing, with the last likely to be the only laggard due to lower realised uranium prices and a higher tax charge. An increase in attributable profits from £103.8m to around £180m is in the middle of a wide range of forecasts, and the City is looking for a 2p increase in the total dividend to 18p net.

Textile manufacturer Coats Patons has lately been shaking off its stock market image as a slumbering giant, and its results for calendar 1983 (due on Wednesday) will be scrutinised for evidence of progress. The figures themselves should be fairly unexciting — forecasts range from £80m pre-tax to £85m at the top end, against £76.9m in the previous year. But the market has in the past been pardonably suspicious of the group's reliance on South American profits which in 1982 reached a record 37 per cent of the total; and in 1983 that figure should have fallen to under 30 per cent, chiefly because of a decline in sales volume in Brazil. There are also hopes that the statement on current year trading may show evidence of group profits moving off their plateau in 1984.

Also reporting next week will be Rugby Portland Cement on Monday and Highland Distillers, due to bring out its interim figures on the same day. On Wednesday, Empire Stores, Pearl Assurance and Burmah Oil will bring out their full-year results to be followed by Morgan Crucible's finals on Thursday. Gill and Duffus will be reporting on its full year on Friday, with Kwik Save ending the week with its interim results.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
APV Holdings	Thursday	2.9	7.7	4.5
Aquascutum	Thursday	0.75	1.3	0.75
Beauford Group	Thursday	1.4	2.1	1.4
Betec	Thursday	—	—	—
Bosse Massimi Pollitt	Thursday	—	—	—
British Dredging	Tuesday	—	1.0	—
Bruxton Estates	Tuesday	1.7	2.3	1.9
Burmah Oil	Wednesday	1.3	7.5	3.5
Campari International	Wednesday	1.5	2.25	1.5
Cardinal Investment Trust	Thursday	1.0	3.5	1.0
Coates Patons	Monday	1.2	2.65	—
Cookson Group	Wednesday	1.4	3.8	1.5
Dares Estates	Wednesday	1.25	1.95	1.7
Dentsply	Wednesday	0.5	0.75	0.5
De Vere Hotels and Restaurants	Monday	—	—	—
Dewhirst, I. J. Holdings	Thursday	2.5	2.5	2.5
Edinburgh Securities	Wednesday	0.28	0.738	0.32
Emess Stores	Wednesday	—	0.15	—
Erith	Wednesday	—	0.1	—
Expamet International	Tuesday	0.7	1.6	0.85
Fitch and Co. Design Consultants	Wednesday	2.0	2.5	2.5
Fothergill and Harvey	Tuesday	—	—	1.5
General Investors and Trustees	Wednesday	2.75	3.75	2.75
Gill and Duffus	Monday	1.8	5.1	2.0
Goal Petroleum	Friday	3.6	4.8	4.0
Hadan	Friday	—	—	—
Hestair	Wednesday	2.25	6.375	2.25
Hewden-Stuart Plant	Wednesday	1.25	2.0	1.5
Huntingdon Petroleum	Wednesday	0.475	0.8	0.475
Hyman, I. and J.	Monday	2.25	3.75	2.25
Jacks, William	Tuesday	—	0.1	—
Jenks and Cattell	Monday	0.5	0.5	4.0
Jersey Electricity Co.	Monday†	4.0	11.0	4.0
Lec Refrigeration	Thursday	1.75	1.25	1.25
Markheath Securities	Friday	4.54999	4.86666	4.55
Mersey Docks and Harbour Co.	Wednesday	—	—	—
Morgan Crucible	Thursday	3.5	4.0	3.5
New London Properties	Wednesday	—	—	—
Newarthill	Wednesday	—	9.0	—
Pearl Assurance	Wednesday	9.5	18.0	12.0
Portals Holdings	Thursday	5.75	8.75	6.25
Reed, Austin Group	Thursday	1.5	3.5	1.5
Rio Tinto-Zinc Corporation	Wednesday	5.5	10.5	6.0
Rubaroid	Monday	1.5	4.0	2.0
Rugby Portland Cement	Monday	2.5	2.9	2.7
Savoy Hotel	Thursday	1.2	1.4	1.2
Senior Engineering Group	Tuesday	0.75	1.5	0.75
Sovereign Oil and Gas	Tuesday	—	—	—
Taylor Woodrow	Tuesday	5.5	14.0	6.5
United Ceramic Distributors	Tuesday	2.5	6.5	2.5
Upton, E. and Sons	Friday	—	—	—
INTERIM DIVIDENDS				
Baillie Gifford Japan Trust	Wednesday	—	—	
Caskets, S.	Wednesday	0.5	1.775	
Fisher, Albert Group	Wednesday	—	1.0	
Glaxo Holdings	Monday	2.75	6.0	
Halstead, James	Monday	1.25	1.75	
Highland Distillers	Monday	0.97	2.27	
Ingall Industries	Wednesday	1.75	2.25	
Inter City Investment Group	Monday	—	—	
Kwik Save Discount Group	Friday	1.15	2.35	
Low, Wm.	Wednesday	2.0	5.1	
Marinair International	Thursday	1.95	6.55	
Murray Electronics	Thursday	—	—	
Peters Stores	Friday	1.0	1.0	
Pineapple Dance Studios	Thursday	—	—	
Raglan Property Trust	Tuesday	—	0.076	
Smiths Industries	Wednesday	4.0	7.5	
Ulster Television	Friday	3.0	4.5	
Wade Potteries	Wednesday	0.55	1.65	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † Per share gross.

Ford to invest FFr 1bn in French transmission plant

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FORD MOTOR is to invest FFr 1bn ($124m) at its plant in Bordeaux, France, to bring into production a new generation of automatic transmissions which the company calls the CTX (Continuously Variable TransaXle).

The automatic will be available in the Ford Fiesta from the middle of this year and Ford claims it will be as economic as and give the performance of a five-speed manual gearbox.

Ford has worked with Van Doorne Transmissie of the Netherlands on the development of the automatic and Van Doorne will begin limited volume production this summer at its Tilburg plant in Holland.

By agreement with Ford, the Dutch company will also supply the transmission to Fiat of Italy for some of its cars.

Ford announced yesterday that during 1986 production of the CTX will be transferred to its Bordeaux transmission plant so that the volume of output can be stepped up to meet demand not only in Europe but potential worldwide markets. As well as supplying Ford's future needs, Bordeaux also hopes to produce the CTX for other car manufacturers.

Bordeaux currently produces four and five-speed manual transmissions for the Fiesta and Escort, as well as the so-called C3 automatic transmissions for the Sierra and Granada, some of which are exported to the U.S.

The new CTX is suitable for application to any future 1.6 litre Ford front-wheel-drive range—including diesels, but not including high-performance derivatives.

● Ford Motor of Australia lifted 1983 net profits to a record A$72.8m (U.S.$68m) from A$66.3m in 1982 after a sales increase to A$1.37bn from A$1.29bn.

For the second year running, Ford was the market leader in Australian vehicle sales, accounting for 23.5 per cent (23.6 per cent) of total 1983 registrations. However, the number of vehicles sold declined to 141,000 from 145,000 because of a fall in the total market.

Ford Australia paid a A$35m dividend to its parent, Ford of the U.S.

Brazilian building society told to close

By Andrew Whitley in Rio de Janeiro

THE BRAZILIAN central bank has ordered the closure of Continental de Credito Imobiliario, one of the country's oldest savings institutions, after it was discovered that it had uncovered liabilities provisionally estimated at Cr 100bn (U.S.$75m).

The closing of Continental, a Sao Paulo-based building society with deposits of Cr 105bn from 640,000 savings accounts, appears to be an extreme example of the mounting problems afflicting the housing finance sector in Brazil.

Following the sharp reduction in real wages imposed by the Government over the past year, as well as rising unemployment, an increasing number of mortgage holders have been unable to meet their payments.

On Thursday, after the announcement of the central bank's intervention in Continental's affairs, its chief executive, Sr Romano Cabral Almeida, told the Gazeta Mercantil business daily that the problem was a general one. He added: "What matters is the system as a whole . . . which must be preserved."

The original request to the Government to take action over Continental came from the big state-owned Banco Nacional de Habitacao (BNH), which is itself in cash flow difficulties. BNH said it was owed Cr 250bn by Continental.

The final decision to proceed with an outright closure rather than the usual half-way house of government supervised intervention, came after attempts to find a "market solution" had failed. Several major financial conglomerates are understood to have refused suggestions that they take over the struggling building society.

Continental currently holds housing and land assets worth Cr 148bn, down substantially in real terms from its declared holdings at the end of 1982 of Cr 57.5bn.

Continental was already struggling before its latest crisis. Between the end of 1981 and 1982 it slipped from sixth to 20th place in the league table of Brazilian building societies, measured by value of property investment.

$66 a share offer to Shell staff fund

BY WILLIAM HALL IN NEW YORK

ROYAL DUTCH/SHELL is offering to buy out a key block of shares owned by employees of Shell Oil, its U.S. affiliate, at a $8 premium over its recently increased offer of $58 per share for the 30 per cent of the company which it does not already own.

The Royal Dutch/Shell group says it intends to compensate employees in the Shell Stock Fund, which owns 7.9 per cent of Shell Oil, fairly for any reduction in their retirement benefits which would arise from their acceptance of the $58 a share offer.

Based on estimates by a firm of employee benefit consultants, Royal Dutch/Shell has calculated that if all the 24.5m shares in the Shell Stock Fund were acquired at a price of $58 apiece, it would be required to make an additional cash payment of some $195m to the 28,000 participants in the fund (roughly 80 per cent of Shell Oil's workforce).

The Royal Dutch/Shell group says the offer for the fund's shares is a perfectly normal move, given the anticipated loss of benefits which would result from the takeover of Shell Oil. However, other Shell Oil shareholders believe that the giant oil company is only taking this action to win control of a block of shares which accounts for about a quarter of the shares not already held by Royal Dutch/Shell.

With this block in its hands, Royal Dutch/Shell would need to acquire only another 40m shares (or less than 10 per cent of the total) to reach 90 per cent control, at which point the offer would become unconditional under Delaware state law.

Mr James McElroy, who heads a shareholder group opposing the takeover, has described the decision to buy out the employees shares at a 14 per cent premium to the public offer price as "outrageous."

Royal Dutch/Shell's efforts to take full control of Shell Oil, one of the most successful U.S. oil majors, is proving to be more difficult than the oil multinational imagined when it embarked on the move.

Relations between Royal Dutch and its U.S. affiliate have become increasingly strained in recent weeks. Shell Oil's outside directors have recommended that they would support a merger only at a price of $75 or more, while Royal Dutch/Shell has said this is unacceptable.

Sulzer in red and omits payout

BY JOHN WICKS IN ZURICH

SULZER, the big Swiss engineering group, has slipped into the red for 1983 and will not be paying a dividend.

Against net profits of SwFr 22.7m for 1982, the parent company has run up a loss of SwFr 65.8m ($30m) for last year. Sulzer cut its dividend in 1982 from SwFr 100 a share to SwFr 80.

Sulzer, which earlier this year took part in a major rationalisation of the Swiss foundry industry, was expected to incur losses for 1983. It will unveil its group results shortly: group net profits in 1982 totalled SwFr 30m, down marginally from SwFr 32m in 1981.

Sulzer says the decision to omit the dividend was taken in view both of the loss—due largely to corporate reorganisation costs—and "continued uncertainties" about employment and profits.

Group turnover dropped by 5.8 per cent to SwFr 4.16bn, while the value of new orders fell by 1.6 per cent to SwFr 3.66bn.

Because of the need to reduce production capacity, Sulzer has cut personnel worldwide by around 2,000 over the last two years to around 30,000. The company has about 20,000 workers in Switzerland.

Sulzer says that if the current economic recovery continues it could be expected to improve earnings, thanks to the recent restructuring measures.

Agusta to get capital top-up from EFIM

By James Buxton in Rome

AGUSTA, the Italian helicopter maker, is to go ahead with a major capital increase following heavy losses for 1983.

The company incurred a loss of L121bn ($74.5m) last year, compared with a deficit of L3.3bn in 1982. The increase in losses was partly due to provision for the rise against the lira of the dollar, in which the company is heavily borrowed, and partly to the weakness of the aviation market.

The board yesterday decided to write down Agusta's capital from L118bn to L83bn. The rest of the loss will be absorbed by recourse to reserves, and by revaluation of assets.

Capital will then be increased to L203bn. The L110m of new capital is expected to be put up by EFIM, the state-owned holding company which currently owns 80 per cent of Agusta.

Agusta attributes some L91bn of its loss to provision for currency losses on borrowing. It blames weak demand for the rest. The company is trying to carry out large-scale layoffs.

VMF-Stork recovers and sees continuing progress

BY WALTER ELLIS IN AMSTERDAM

THE RECOVERY at VMF-Stork, the Dutch engineering and food processing group, is continuing. Earnings for 1983 rose by 40 per cent to Fl 10m ($3.4m), and the company forecasts a further increase this year.

Between 1978 and 1980, Stork incurred losses totalling Fl 140m and had to be rescued from possible collapse by the Government and the National Investment Bank.

Yesterday, Stork's management announced that group debts to the state had been rescheduled, with the final repayment now due in 1993 instead of 1991. The Government has agreed to convert Fl 24m of a subordinated loan to additional share capital, and Stork in turn will use most of this increased liquidity to support its part-owned subsidiary, SW Diesel.

The National Investment Bank will convert a similar loan to SW Diesel into capital, so that Stork and the bank between them will continue to control just under 100 per cent of the diesel concern.

Orders received by Stork in 1983 came to Fl 1.5bn, slightly down on 1982. More than two-thirds of orders came from abroad.

Operating profit totalled Fl 45m—45 per cent up on 1982—while tax and extraordinary losses arising from restructuring were also up, at Fl 16.5m and Fl 17.2m respectively.

Dutch bank earnings rise steeply

VAN LANSCHOT, the Dutch wholesale and semi-retail bank, 30 per cent owned by National Westminster Bank, has announced net profits of Fl 16m ($5.4m) for 1983, 63 per cent up on the previous year, writes Our Amsterdam Correspondent.

Provisions against debt rose by 50 per cent, by far the largest such increase in the bank's recent history.

Operating profits rose by 61 per cent to Fl 45m.

AMD finishes year on buoyant note

BY OUR FINANCIAL STAFF

ADVANCED MICRO DEVICES, the U.S. semiconductor manufacturer in which Siemens of West Germany has a 16.8 per cent stake, has announced a sharp increase in net profits for the final quarter of the financial year ended March 25 to $30.6m from $6.65m for the same period a year earlier.

At the per share level, AMD earned 53 cents against 12 cents, while sales climbed 102 per cent from $97.3m to $192.2m.

For the full 1983-84 financial year, net profits more than trebled from $21m or 39 cents a share to $71.1m or $1.23 on sales up 159 per cent from $358.3m to $583m.

After what it described as a "good" year in 1983-84, AMD is forecasting a "great" year in the period ending next March.

AMD has been one of the principal beneficiaries of the present explosive rate of growth of demand for microprocessor chips. It forecasts that integrated circuit sales for the industry as a whole will grow by 47 per cent this year, but believes it can outperform the average

Recession hits Mesbla result

By Our Rio de Janeiro Correspondent

MESBLA, the leading Brazilian retailing group, saw its sales and profits plunge last year, as the domestic recession bit deeper into consumer purchasing power and the cost of financing remained high.

Sales in the fiscal year ended January 1984 were Cr 337bn (US$549m at the average exchange rate), compared with Cr 154bn ($860m) the previous year. The nominal rise in cruzeiro terms was 119 per cent, but inflation over the same period was nearly double, at 213 per cent.

Profits declined even more steeply, from Cr 4.3bn to Cr 3.8bn by last January—28 per cent of their previous level in real terms.

Petro-Lewis to dispose of properties worth $680m

BY OUR FINANCIAL STAFF

PETRO-LEWIS, the struggling Denver-based group which markets partnerships in U.S. oil and gas wells, is making progress in its plan to sell reserves in an attempt to raise $1bn.

The company said this week it signed contracts or letters of intent to sell producing property interests owned by it and its managed partnerships for about $680m. Negotiations were continuing on other sales which, if implemented, would complete the $1bn programme.

The sales include a $226m deal with Graham Resources, a Louisiana based oil and gas producer, which made the purchase on behalf of the Prudential-Bache Energy Income Fund and other programmes managed by Graham.

● PanCanadian Petroleum, the oil and gas producing arm of Canadian Pacific Enterprises, lifted first-quarter net earnings from C$66.2m to C$75m (U.S.$58.6m).

Cheung Kong cuts dividend as profits dip by 22%

BY OUR FINANCIAL STAFF

CHEUNG KONG (Holdings), the property developer which is one of Hong Kong's largest quoted companies, suffered a 22.2 per cent fall in profits after tax but before extraordinary items in 1983, to HK$ 408.8m (U.S.$ 50.8m) from HK$ 525.6m in the previous year. The profits are reached after making provisions of HK$ 169.2m for the diminished value of land held, compared with HK$ 459.7m.

Extraordinary profits amounted to HK$ 300,000, after provisions of HK$ 70.6m for holdings in associated companies. In 1982, extraordinary profits were HK$6.7m, after provisions of HK$ 178.4m against investments in other development companies.

The fall in profits is in line with company forecasts last September, when the first-half results were announced. It resulted, says Mr Li Ka-shing, the company's chairman, from the lack of any major improvement in the depressed Hong Kong property market. Last week, Hongkong Land Company announced an attributable loss of HK$ 1.3bn for 1983, against a deficit of HK$ 500m in 1982.

Final dividend is cut to 30 cents a share from 48 cents, to make a payout for the year of 45 cents against 70 cents. Earnings a share were 106 cents compared with 142 cents.

Bell plans A$60m share issue

BELL GROUP, Mr Robert Holmes à Court's master company, is to raise A$60m (U.S. $56m) through an underwritten issue of 6 per cent convertible preference shares, with a quarter of the cash to come from Holmes à Court interests, writes Lachlan Drummond in Sydney.

Bell Group last raised equity capital with a A$20m placement of ordinary shares in December, but since then has spent almost A$250m for a half interest in Weeks Petroleum. This is to be sold to Bell Resources under the latter's all-share takeover bid for Weeks.

Seltrust seeks ways to improve financial position

BY KENNETH MARSTON, MINING EDITOR

WAYS AND MEANS of correcting the group's financial position are under active consideration by Seltrust Holdings, 75.3 per cent-owned Australian mining subsidiary of British Petroleum.

This hint of a pending capital-raising operation is accompanied in the annual report by the directors' comment that although the group has no immediate cash problems, its cash flow is not sufficient to service the already high level of borrowings and also provide for future capital spending.

In view of the current state of metal markets they do not expect Seltrust to return to profitability this year.

Meanwhile, significant additional capital spending is required for the studies of the possible major expansion of the 60 per cent-owned Agnew nickel mine in Western Australia, a decision on which is to be taken by about mid-1985.

The nickel deposit is stated to have the potential of supporting a considerably expanded, competitive, long-term underground mining operation.

Seltrust will continue with detailed drilling of the recently announced gold find at Teinora in New South Wales. It is hoped that further news of this may be given at the Perth meeting on May 1 or in the report for the past quarter.

Reliable Properties

Pre-tax profits of Reliable Properties dropped from £421,069 to £361,276 in the half year to December 31 1983. The second half however has begun well and a satisfactory full year result is anticipated.

The net interim dividend is maintained at 1.25p per 25p share—last year's final was 1.75p on £874,128 profits.

ECONOMIC DIARY

MONDAY: BIS meeting in Basle. Provision March producer price index numbers. EEC Foreign Affairs Council meets in Luxembourg (until April 10). European Parliament in plenary session in Strasbourg (until April 13). Stock Exchange makes changes to commission scales on dealing. Commons gives second reading to Finance Bill.

TUESDAY: Provisional estimates of monetary aggregates (mid-March). Provisional figures of vehicle production (March). London clearing banks' monthly statement (mid-March).

WEDNESDAY: Index of production and construction for Wales (fourth quarter). FT conference on "European Banking" in Milan (until April 12).

THURSDAY: Index of output of the production industries (February).

FRIDAY: Tax and price index (March). Retail prices index (March). Finished steel consumption and stock changes (fourth quarter-final). Building Societies' monthly figures (March).

BASE LENDING RATES

A.B.N. Bank	8½%	■ Hambros Bank	8½%
Allied Irish Bank	8½%	Heritable & Gen. Trust	8½%
Amro Bank	8½%	■ Hill Samuel §	8½%
Henry Ansbacher	8½%	C. Hoare & Co. †	8½%
Armco Trust Ltd.	8½%	Hongkong & Shanghai	8½%
Associates Cap. Corp.	9 %	Kingsnorth Trust Ltd.	10 %
Banco de Bilbao	8½%	Knowsley & Co. Ltd.	9½%
Bank Hapoalim BM	8½%	Lloyds Bank	8½%
BCCI	8½%	Mallinhall Limited	8½%
Bank of Ireland	8½%	Edward Manson & Co.	9½%
Bank Leumi (UK) plc	8½%	Meghraj and Sons Ltd.	8½%
Bank of Cyprus	8½%	Midland Bank	8½%
Bank of India	8½%	■ Morgan Grenfell	8½%
Bank of Scotland	8½%	National Bk. of Kuwait	8½%
Banque Belge Ltd.	8½%	National Girobank	8½%
Banque du Rhone	9½%	National Westminster	8½%
Barclays Bank	8½%	Norwich Gen. Tst.	8½%
Beneficial Trust Ltd.	9½%	R. Raphael & Sons	8½%
Bremar Holdings Ltd.	8½%	P. S. Refson & Co.	8½%
Brit. Bank of Mid. East	8½%	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co. Canada	8½%
CL Bank Nederland	8½%	■ J Henry Schroder Wagg	8½%
Canada Perm't Trust	8½%	Standard Chartered ‖	8½%
Castle Court Trust Ltd.	9 %	Trade Dev. Bank	8½%
Cayzer Ltd.	8½%	TCB	8½%
Cedar Holdings	9 %	Trustee Savings Bank	8½%
■ Charterhouse Japhet	8½%	United Bank of Kuwait	8½%
Choulartons	10½%	United Mizrahi Bank	8½%
Citibank Savings ¶	9¾%	Volkskas Intnl. Ltd.	8½%
Clydesdale Bank	8½%	Westpac Banking Corp	8½%
C. E. Coates	9½%	Whiteaway Laidlaw	9 %
Comm. Bk. of N. East	8½%	Williams & Glyn's	8½%
Consolidated Credits	8½%	Wintrust Secs. Ltd.	9 %
Co-operative Bank *	8½%	Yorkshire Bank	8½%
The Cyprus Popular Bk.	8½%		
Dunbar & Co. Ltd.	8½%		
Duncan Lawrie	8½%		
E. T. Trust	9 %		
Exeter Trust Ltd.	9½%		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	9½%		
Robert Fraser	9½%		
Grindlays Bank ‡	8½%		
■ Guinness Mahon	8½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.25%. 1-month 6%. Fixed rate 12 months £2,500 8% £10,000. 12 months 8.25%.
† 7-day deposits on sums of: under £10,000 5¼%, £10,000 up to £50,000 6¼%, £50,000 and over 7¼%.
‡ Call deposits £1,000 and over 5¼%.
‖ 21-day deposits over £1,000 6¼%.
§ Demand deposits 5¼%.
¶ Mortgage base rate.

WORLD STOCK MARKETS

WALL STREET

Recovery attempt by noon

SLIGHTLY LOWER levels were recorded yesterday when the market attempted to recover from Thursday's interest rate-induced sell-off.

After opening a further 2.62 off at 1,127.93, the Dow Jones Industrial Average partially recovered to 1,130.13 by mid-day off 0.42 on the day and 34.76 on the week. The NYSE All Common Index shed 8 cents to $89.25, making a loss of $2.42 on the week. Declines led gains by a two-to-one majority in a volume of 54.4m shares.

Analysts said the main influence on the market was Thursday's 18 point decline in the Dow Industrials and 16½ point drop in the Transportation Index. The selloff was caused by an increase in the Prime lending rate to 12 per cent.

Investors were encouraged by unemployment statistics released by the Labor Department, which show a slowdown in U.S. economic growth.

For instance, the Government reported that the average number of overtime hours by factory workers declined to 3.4 a week in March, compared with 3.6 hours in February.

Also, U.S. civilian unemployment remained unchanged at 7.8 per cent for the month, instead of dropping as it has recently.

ATT led the consolidated active list, up $⅛ to $15⅝. Occidental Petroleum fell $1 to $31¾ and also was active.

Losers included Aydin, off $1⅞ to $30⅞, Engelhard $1½ to $29½ and Canal Randolph $2 to $90.

Bairnco were down $4⅞ to $34xd on very light volume.

Fannie Mae were active but unchanged at $14. Advanced Micro Systems moved up $1½ to $28½.

AVX Corp fell $1⅜ to $17—a block of 326,200 shares traded at $17.

THE AMERICAN SE Market Value Index lost another 0.72 to 205.56, making a loss of 5.78 on the week. Volume 4.04m shares.

Closing prices for North America were not available for this edition.

CANADA

Stocks continued fractionally lower at mid-session.

The Toronto Composite Index slipped another 3.2 to 2,312.9. Metals and Minerals lost 10.0 to 2,210.0. Golds 17.5 to 4,406.5 and Oil and Gas 1.4 to 3,356.9.

Power Corp shed $⅛ to $17⅛—speculation about its acquisition plans persists in spite of its current high debt load.

GERMANY

Broadly lower after moderately active trading.

Brokers said the Prime Rate increases in the U.S. and the related tumble posted by U.S. stock prices Thursday soured market sentiment. In addition, market participants noted cautious position-squaring ahead of the weekend.

The Commerzbank Index slipped 3.6 to 1,012.4.

Friday's top-level talks between Management and Labor in the Metalworking Industry against a backdrop of strike threats also overshadowed stock trading. The uncertain outcome of the eleventh-hour meeting apparently affected Motor shares the most.

Daimler-Benz fell DM 5 to 555. BMW shed DM 3.50 to 403.5 and VW DM 2.50 to 210.7.

With only limited demand centring on Blue Chips, isolated "Secondary" shares posted some above-average declines. These included Degussa, down DM 11 to 388, Metallgesellschaft DM 5 to 232.5 and Wella dropped DM 7.50.

Machine Makers were mixed.

Declines in major Banks were held to around DM 1 after a series of dividend increases. Bayerische Hypobank actually gained DM 1 to 270 after announcing an unchanged DM 9 dividend for 1982.

TOKYO

Sharply lower in reaction to Thursday's fall on Wall Street, although late buying curbed the early decline.

The Nikkei-Dow Market Average finished 73.20 down at 10,914.73, after losing 118.80 at mid morning.

American Depository Receipt issues led the fall, after Wall Street prices fell to their lowest level in a year.

The Tokyo SE Index closed at 856.61, down 10.32. Volume 580m (630m) shares.

Some shares which fell in the morning, such as Oil Refineries, Trading Houses and Chemicals, recovered later on bargain hunting.

Dealers said investors were nervous and generaly held off towards the close ahead of Wall Street's opening.

Foreign investors were net sellers throughout the day, but selling volume was moderate.

Marubeni advanced Y80 to 438—its Alaskan gold mining project showed promise of profits.

Trading Houses and Gold-related issues also advanced, stimulated by Marubeni's surge.

Komatsu shed Y7 to 484 on a 19.5 per cent fall in consolidated net income for the year ended December 31.

PARIS

Narrowly mixed in light volume. Advances led declines by 84 to 72.

Investors appeared to have ignored the disappointing performance of Wall Street Thursday. Many operators were absent from the market during the school vacation period.

Portfolios and Engineerings mostly finished lower, while Foods, Metals and Chemicals generally improved.

The day's star performer was Jean Lefebre, which finished 12 per cent above Thursday' level for no immediately apparent reason. Trading in Amrep was suspended pending an announcement.

Foreign issues were mostly depressed, especially Philip Morris, BASF, Royal Dutch, President Brand and Inco.

AMSTERDAM

Generally lower levels, but losses were limited in little activity.

Pakhoed fell Fl 4.6 to 62.9 on its marginal increase in 1983 profits.

Shippers could not hold Thursday's firmer trend. Nedlloyd lost Fl 2.50 to 122.50 and Van Ommeren were Fl 1.20 lower at 30.10.

Builder Boskalis were down Fl 2.10 at 34.10 amid continued concern about payments from Argentina.

ABN, off Fl 4 at 389, led declines in Banks. Amro shed Fl 1.3 to 73.8, although it expects favourable profit developments this year.

Hoogovens eased Fl 0.6 to 48.9, despite its cut in losses in 1983.

VMF-Stork fell Fl 3 to 98.00, despite its higher 1983 profits. Fokker rose Fl 1.50 to 60.00 on its return to profitability.

SWITZERLAND

Domestic shares easier in quiet trading.

Firming U.S. interest rates led to further reluctance among investors and turnover was relatively small.

Carpet maker Forbo B rose SwFr 800 to 6,800 after it announced a dividend increase and restructuring of its share capital.

HONG KONG

Profit-taking after Thursday's big gains sent share prices lower yesterday in moderate trading.

The Hang Seng Index fell back 19.35 to 1084.32 after the previous day's 50-point jump.

An increase in U.S. interest rates also stirred some concern that local rates could be raised, helping push the market lower. Analysts said that the market appears to be consolidating at about the 1,050 level after a steep decline two weeks ago. They said that it could idle in that area until the latest round of talks in Peking on Hong Kong's future are completed later next week.

Most leading shares posted modest losses.

After the market close, Cheung Kong, off 25 cents at HK$9.35, reported a 1982 net profit of HK$408.8m (HK$525.6m). The result was at the lower end of analysts' expectations.

AUSTRALIA

A further bout of buying from the U.S. helped Industrials firm, while Metals were generally easier on weaker physical prices.

Golds were mixed, with Central Norseman down 10 cents at $A6 but Emperor up 15 cents at $A4.10.

Banks also were mixed, as were Retailers, while Transports were strong.

Indices

NEW YORK — DOW JONES

	April 5	Apr. 4	Apr. 3	Apr. 2	Mar. 30	1983-84 High	1983-84 Low	Since Compiltn High	Since Compiltn Low
● Industr'ls	1130.55	1148.56	1148.76	1165.16	1184.88	1287.20 (29/11)	1027.04 (3/1/83)	1287.20 (29/11/83)	41.22 (2/7/32)
H'me Bnds	—	—	68.41	68.67	68.71	77.84 (6/5)	68.41 (23/3/84)	—	—
Transport	495.59	501.85	505.04	508.15	510.19	612.63 (19/1/84)	432.24 (3/1/83)	612.63 (9/1/84)	12.32 (8/7/32)
Utilities	124.85	126.11	125.87	126.16	126.83	40.70 (31/10)	119.51 (3/1/83)	163.32 (20/4/69)	10.5 (28/4/42)
Trading Vol 000-†	101.75	92,860	87,980	85,880	71,590	—	—	—	—

● Day's high 1157.87 (1156.83) low 1128.35 (1141.02)

	Mar. 30	Mar. 23	Mar. 16	Year ago (approx
Industrial div. yield%	4.74	4.79	4.67	4.86

STANDARD AND POORS

	April 5	Apr. 4	Apr. 3	Apr. 2	Mar. 30	1983-84 High	1983-84 Low	Since Comilt'n High	Since Comilt'n Low
Industr'ls	175.37	178.25	176.54	180.29	180.15	194.84 (10/10)	154.95 (3/1/83)	194.84 (10/10/83)	3.62 (30/6/32)
Comp's'te	155.04	157.50	157.61	159.25	158.78	172.65 (10/10)	138.54 (3/1/83)	172.65 (10/10/83)	4.40 (1/6/32)

	Apr. 5	Mar. 29	Mar. 21	Year ago (approx
Industrial div. yield %	4.53	3.97	4.00	4.30
Industrial P/E ratio	11.20	12.25	12.15	12.94
Long Gov. Bond yield	12.57	12.37	12.37	10.46

N.Y.S.E. ALL COMMON

Apr. 5	Apr. 4	Apr. 3	Apr. 2	1983-84 High	1983-84 Low
89.33	90.71	90.79	91.03	99.63 (10/10)	80.92 (24/1/83)

Rises and Falls

	Apr. 5	Apr. 4	Apr. 3
Issues Traded	2,002	2,003	1,994
Rises	381	677	568
Falls	1,248	854	992
Unchanged	373	472	434
New Highs	—	—	14
New Lows	—	—	91

MONTREAL

	April 5	Apr. 4	Apr. 3	Apr. 2	1983-84 High	1983-84 Low
Industrial	418.48	424.74	427.08	422.74	488.98 (26/9)	331.18 (4/1/83)
Combined	393.98	399.41	400.73	403.43	441.29 (26/9)	325.12 (4/1/83)
TORONTO Composite	2316.2	2347.3	2353.3	2370.4	2598.2 (26/9)	1949.8 (4/1/83)

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Superior Oil	2,022,400	41¾	+ ⅛	Carter Hawley	1,508,800	28½	− ⅛
Chrysler	1,927,100	22	−3	Hewlett Pkd.	1,485,700	31⅛	−1⅛
Gen. Motors	1,663,200	62⅞	−1⅜	IBM	1,357,500	108⅛	−2⅞
K Mart	1,597,800	28⅞	−1⅜	AT & T	1,137,200	15⅞	− ⅛
Shell Oil	1,535,500	57⅞	+ ⅛	Am. Medical	1,078,800	24½	+ ⅛

	April 6	April 5	Apr. 4	April 3	1983/84 High	1983/84 Low
AUSTRALIA						
All Ord. (1/1/80)	755.1	755.5	751.2	744.3	787.3 (9/1/84)	487.8 (4/1/83)
Metals & Minls. (1/1/80)	533.7	536.7	534.7	525.1	614.2 (5/9)	411.3 (4/1/83)
AUSTRIA						
Credit Aktien (2/1/62)	54.90	54.37	55.22	55.50	58.9 (5/5)	48.48 (15/2/83)
BELGIUM						
Belgian SE (31/12/63)	150.59	150.80	148.32	147.07	150.58 (5/4/84)	108.50 (4/1/83)
DENMARK						
Copenhagen SE (3/1/83)	(u)	185.47	182.67	182.69	225.21 (20/1/84)	100.00 (3/1/83)
FRANCE						
CAC General (31/12/82)	167.90	167.6	168.2	164.5	175.1 (25/1/84)	96.1 (5/1/83)
Ind Tendance (30/12 83)	106.6	106.9	105.9	106.5	114.7 (25/1/84)	99.4 (3/1/84)
GERMANY						
FAZ-Aktien (31/12/58)	345.12	346.29	348.67	349.90	370.84 (2/2/84)	241.69 (25/1/83)
Commerzbank (1/12/53)	1012.4	1016.0	1016.2	1025.9	1086.5 (2/2/84)	727.9 (25/1/83)
HONG KONG						
Hang Seng Bank(31/7/64)	1084.32	1083.67	(c)	1055.19	1170.55 (19/3/84)	690.86 (4/10)
ITALY						
Banca Comm Ital. (1972)	215.90	216.15	214.75	215.52	229.57 (6/1/84)	159.45 (10/1/83)
JAPAN**						
Nikkei-Dow (16/5/49)	10914.73	10932.9	11082.8	10855.8	11,053.16 (2/4/84)	7803.18 (25/1/83)
Tokyo SE New (4/1/68)	856.61	866.93	870.24	857.70	876.62 (2/4/84)	574.51 (25/1/83)
NETHERLANDS						
ANP-CBS General (1970)	160.3	162.5	162.5	162.6	179.3 (1/2/84)	109.1 (4/1/83)
ANP-CBS Indust (1970)	128.4	139.7	130.4	131.1	147.2 (1/2/84)	85.5 (4/1/83)
NORWAY						
Oslo SE (4/1 83)	256.14	256.24	258.44	253.93	258.93 (2/4/84)	99.01 (4/1/83)
SINGAPORE						
Straits Times (1966)	994.55	994.44	993.29	991.76	1071.81 (8/2/84)	712.28 (5/1/83)
SOUTH AFRICA						
Gold (1958)	(c)	(u)	992.5	996.80	1099.5 (1/2/83)	661.4 (1/11)
Industrial (1958)	(c)	(u)	1052.5	1055.1	1081.1 (22/5/84)	794.9 (5/1/83)
SPAIN						
Madrid SE (30/12/83)	116.43	116.30	116.36	117.58	120.40 (5/5/84)	100.00 (30/12/83)
SWEDEN						
Jacobson & P. (1/1/58)	1565.51	1572.09	1564.99	1575.15	1594.5 (5/5/84)	898.18 (5/1/83)
SWITZERLAND						
SwissBankC pn.(31/12/58)	370.4	371.5	370.30	369.0	389.7 (6/1/84)	284.4 (4/1/83)
WORLD						
Capital Intl. (1/1/70)	186.5	—	187.7	187.7	199.6 (30/5/84)	154.5 (5/1/83)

** Saturday March 31. Japan Nikkei-Dow 10,968.41. TSE 871.32.

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

CURRENCIES, MONEY and CAPITAL MARKETS

هكذا من الأصل

FOREIGN EXCHANGES

Dollar erratic

The dollar finished higher in comparison with Thursday's closing level in London but was well down from highs touched in New York. The U.S. unit opened on a weaker note but recovered some ground during the morning before falling away during the afternoon. Part of the weaker trend reflected a softer Federal funds rate while an unchanged unemployment figure for March suggested a possible slowdown in U.S. economic growth and a consequent reduction in upward pressure on interest rates.

The dollar closed at DM 2.6220 from DM 2.6165, having traded between a low of DM 2.6145 and a high of DM 2.6360. It was unchanged against the Swiss franc at SwFr 2.1750 but rose from Y223.05 to Y225.30 and FFr 8.07 compared with FFr 8.0525. On Bank of England figures, the dollar's trade weighted index rose from 126.8 to 127.2.

Sterling opened on a weaker note, reflecting a stronger dollar in New York on Thursday. It recovered later in the day as the dollar was sold after a turnaround in sentiment started in the Far East. Sterling's trade weighted index opened at 79.6, down from 80.0 but recovered to 79.8 at noon and finished at the same level. Against the dollar it opened at $1.4230 and touched a low of $1.4185 before coming back to close at $1.4280-1.4290, a fall of 55 points. Against the D-mark it eased to DM 3.7475 from DM 3.7550 and SwFr 3.11 compared with SwFr 3.1225. It was also lower in terms of the French franc at FFr 11.5250 from FFr 11.5450 and Y322.0 from Y323.0.

£ in New York (Latest)

	April 6	Prev. close
Spot	$1.4280-4300	$1.4155-4170
1 month	0.25-0.28 dis	0.26-0.28 dis
3 months	0.75-0.77 dis	0.75-0.78 dis
12 months	3.20-3.30 dis	3.28-3.32 dis

Forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

April 6	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4185-1.4310	1.4280-1.4290	0.23-0.28c dis	−2.14	0.73-0.78dis	−2.11
Canada	1.8210-1.8320	1.8275-1.8285	0.24-0.34c dis	−1.90	0.80-0.90dis	−1.86
Nethlnd.	4.20¾-4.23½	4.22¼-4.23¼	1⅛-⅞c pm	2.48	3-2½ pm	2.60
Belgium	76.15-76.75	76.40-76.50	16-26c dis	−3.30	55-65 dis	−3.14
Denmark	13.70-13.76	13.74½-13.75½	1.35-2.35ore dis	−1.61	4.80-5.90dis	−1.56
Ireland	1.2190-1.2270	1.2230-1.2240	0.36-0.44p dis	−3.92	1.13-1.26dis	−3.91
W. Ger.	3.73-3.75½	3.74½-3.75½	1¼-⅞pf pm	3.20	3⅛-2⅝ pm	3.07
Portugal	188.50-191.60	190.60-191.00	140-360c dis	−15.73	490-1100dis	−16.67
Spain	213.75-215.00	214.65-214.85	110-130c dis	−6.70	400-435 dis	−7.78
Italy	2308-2321	2317½-2319½	13½-15½lire dis	−7.50	42-44 dis	−7.42
Norway	10.73-10.81	10.80-10.81	4¼-4⅞ore dis	−5.07	11¼-12½ dis	−4.49
France	11.48-11.53	11.52-11.53	3½-4½c dis	−4.16	13-15 dis	−4.86
Sweden	11.09-11.14	11.11½-11.12½	1¼-1⅞ore dis	−1.69	4½-5 dis	−1.71
Japan	320-323	321½-322½	0.66-0.58y pm	2.31	2.09-1.98 pm	2.53
Austria	26.20-26.40	26.30-26.35	6½-4½gro pm	2.42	18¾-14½ pm	2.49
Switz.	3.09-3.12	3.10½-3.11½	1½-1c pm	4.87	4¼-3¾ pm	5.14

Belgian rate is for convertible francs. Financial franc 79.70-79.80. Six-month forward dollar 1.45-1.50c dis. 12-month 3.18-3.28c dis.

THE DOLLAR SPOT AND FORWARD

April 6	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4185-1.4310	1.4280-1.4290	0.23-0.28c dis	−2.14	0.73-0.78dis	−2.11
Ireland†	1.1620-1.1695	1.1660-1.1670	0.18-0.14c pm	1.65	0.57-0.49 pm	1.82
Canada	1.2800-1.2820	1.2800-1.2805	0.06-0.04c pm	0.47	0.09-0.07 pm	0.25
Nethlnd.	2.9510-2.9700	2.9570-2.9590	1.16-1.11c pm	4.61	3.47-3.42 pm	4.66
Belgium	53.50-53.80	53.51-53.63	2-3½c dis	−0.61	9-11 dis	−0.74
Denmark	9.6000-9.6625	9.6250-9.6300	¾-¼ore pm	0.62	1½-1 pm	0.52
W. Ger.	2.6145-2.6360	2.6215-2.6225	1.16-1.11pf pm	5.20	3.38-3.33 pm	5.12

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

OTHER CURRENCIES

EXCHANGE CROSS RATES

Canadian Dollar / Belgian Franc 100					6.305 / 15.08	1.701 / 4.068	2.513 / 5.550	1268. / 3033.	1. / 2.391	41.82 / 100.

MONEY MARKETS

Continued shortage

The London money market was faced with another shortage of day to day credit yesterday, making a run of 62 trading days where the Bank of England has given assistance. Yesterday's forecast indicated a shortage of around £550m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £401m and the unwinding of previous sale and repurchase agreements a further £82m.

UK clearing banks' base lending rate 8½-8¾ per cent (since March 15 and 16)

In addition there was an increase in the note circulation of £210m and banks brought forward balances £110m below target. These were partly offset by Exchequer transactions adding £235m. Once again the Bank offered an early round of assistance, giving help of £364m. This comprised purchases of £2m of eligible bank bills in band 2 (15-33 days) at 8⅞ per cent and £3m in band 3 (34-63 days) at 8⅞ per cent. In band 4 (64-91 days) it bought £65m of Treasury bills and £8m of local authority bills as well as £255m of eligible bank bills all at 8⅞ per cent.

The forecast was later revised to a shortage of around £700m before taking into account the early help and the Bank gave further assistance in the morning of £344m. This comprised purchases of £9m of eligible bank bills in band 2 at 8⅞ per cent and £335m in band 3 at 8⅞ per cent.

The forecast was later revised to a shortage of around £750m and the Bank gave additional assistance in the afternoon of £32m comprising purchases of eligible bank bills in band 4 at 8⅞ per cent. The day's help totalled £751m.

Interest rates showed little overall change in the periods while short term rates were easier following the Bank of England's assistance. Weekend interbank money opened at 8½-8⅞ per cent and eased gradually to a low of 5 per cent. Three-month interbank money was quoted at 8⅝-8¾ per cent compared with 8½-8⅝ per cent while three-month eligible bank bills were bid at 8⅝ per cent, unchanged from Thursday.

At the weekly Treasury bill tender, the £100m of bills on offer attracted bids of £521.865m. The minimum accepted bid was £97.91, met as to about 25 per cent. The average rate of discount was hardly changed at 8.3820 per cent from 8.3825 per cent the previous week. Next week a further £100m of bills will be on offer, replacing a similar amount of maturities.

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Apr. 6 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	5-8½	7¾-8¼	7-8½	5-8½	—	—	—	—	—
2 days notice	—	—	8½-8⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 day notice	—	8½-8⅝	8⅝-8¾	8½-8⅝	8-8⅝	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month		—		10.55-10.65		
Two months		—		10.6-10.7		
Three months		—		10.7-10.8		
Six months		—		10.95-11.05		
Nine months		—		11.15-11.35	—	
One year		—		11.4-11.8	10-10¼	
Two years		10	—	—	—	—
Three years	—	10¼	—	—	—	—
Four years	—	10⅜	—	—	—	—
Five years	—	10½	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV. Average Rate for interest period March 7 to April 3 1984 (inclusive): 8.976 per cent. Local authorities and finance houses seven days' notice, others seven days fixed. Finance Houses Base Rate (published by the Finance Houses Association): 9½ per cent from April 1, 1984. London and Scottish Clearing Bank Rates for lending 8½-8¾ per cent. London Deposit Rate for sums at seven days' notice 5¾-5⅞ per cent. Treasury Bills: Average tender rates of discount 8.3820 per cent. Certificates of Tax Deposit (Series 6) Deposit of £100,000 and over held under one month 9 per cent; one-three months 9 per cent; three-six months 9¼ per cent; six-nine months 9½ per cent; nine-12 months 9¾ per cent. Under £100,000 8¾ per cent from April 5. Deposits held under Series 4-5 9¾ per cent. The rate for all deposits withdrawn for cash 7 per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. April 6)

3 months U.S. dollars: bid 10 7/16, offer 11

6 months U.S. dollars: bid 11 1/8, offer 11 1/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Asian $ (closing rates in Singapore): Short-term 10¼-10⅜ per cent; seven days 10¼-10⅜ per cent; one month 10⁵⁄₁₆-10⁷⁄₁₆ per cent; three months 10⅝-10¾ per cent; six-months 10⅞-11 per cent; one year 11⅛-11¼ per cent. Long-term Eurodollars two years 12⅛-12¼ per cent; three years 12½-12⅝ per cent; four years 12⅝-12¾ per cent; five years 12¾-13 per cent nominal closing rates. Short-term rates are call for U.S. banks and Japanese yen, two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

‡ Unquoted (z) May. (w) March-April. (g) Madagascar. § Ghana cocoa. (x) April-May. (y) June. (t) July. (u) Sept.

REVIEW OF THE WEEK

Sudden downturn in cocoa market

BY OUR COMMODITIES STAFF

COCOA PRICES turned sharply downwards this week reflecting a sudden change in speculative sentiment.

The market began strongly as continued uncertainty about Brazilian and West African crop prospects encouraged buyers. But on Wednesday a wave of speculative selling, which began in New York, took London's July futures quotation £102 down. After a subsequent rally the price ended the week £67 lower on balance at £1,761.50 a tonne.

Dealers said the fall was influenced by renewed awareness of the plentifulness of nearby supplies while the rally was helped by the attempted military coup in the Camerouns, requests for shipment deferments from the Ivory Coast and forecasts of a slight rise in first quarter bean grindings in leading consumer countries.

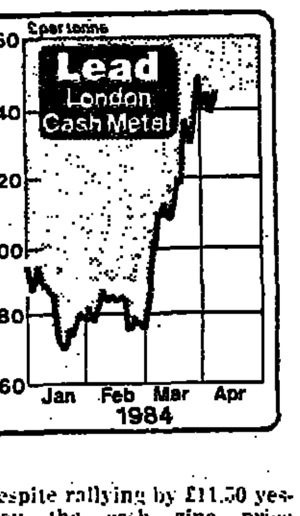
Camerouns' attempted coup was also quoted as a factor in the rise in the coffee market, which was further aided by bullish chart patterns and sterling's weakness. The July futures quotation on the London market ended the week £32.50 higher at £2,031.50 a tonne.

Forecasts of a rise in EEC beet production this year depressed sugar values and the London daily raws price ended £8 lower on the week at £110 a tonne.

Following talks in London sugar exporting and importing countries agreed to go ahead with full negotiations on a new International Sugar Agreement in Geneva from June 12.

Further rises in physical prices led to gains in London's potato and pigmeat futures. But while June pigmeat ended the week 2.2p up at 118.8p a kilo April potatoes fell back to end £1.40 down at £194 a tonne.

The copper market began on a strong note but was quickly trimmed back on disappointment at a relatively small reduction in London Metal Exchange warehouse stocks last week. Concern over U.S. interest rates cut prices back further before profit-taking purchases and "constructive" chart patterns encouraged a substantial rally yesterday. But the cash metal price still ended only £3.75 up on the week at £1,085.25 a tonne.



Despite rallying by £11.50 yesterday the cash zinc price finished £17 down on the week at £712.50 a tonne.

The lead price reached a 2-year high early in the week but fell back to end £0.50 a tonne lower on balance in the cash position at £345 a tonne.

BASE METALS

COPPER

ALUMINUM

NICKEL

TIN

SILVER

LEAD

ZINC

COCOA

COFFEE

INDICES

FINANCIAL TIMES

REUTERS

MOODY'S

DOW JONES

GRAINS

PIGMEAT

POTATOES

RUBBER

SUGAR

LONDON OIL

CRUDE OIL FUTURES

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per brl		
May	—	—	—
June	30.50	—	30.50
July	30.50	—	30.60
Aug	—	—	—
Sept	—	—	—

Turnover: 6 (2) lots of 1,000 barrels.

SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.40-28.45	+0.02
Iranian Light	27.80-27.90	+0.03
Arab Heavy	26.85-26.90	+0.02
North Sea (Forties)	30.15	
North Sea (Brent)	29.95-30.20	+0.02
African (Bonny Lt'ht)	30.15-30.20	+0.02
PRODUCTS—North West Europe ($ per tonne)		
Premium gasoline	279-285	+0.5
Gas Oil	254-256	—
Heavy fuel oil	188-193	−1

GOLD MARKETS

Gold rose just $½ an ounce from Thursday's close in the London bullion market yesterday to finish at $380¾-$381¼. The metal opened at $379¼-$379¾ and traded between a high of $381¾-$382 and a low of $378¼-$378¾.

LONDON FUTURES

GAS OIL FUTURES

Gas oil prices opened slightly lower and traded in a narrow range through most of the day. The market weakened to reflect softer physicals, but showed little inclination to establish a new direction so late in the week. New lows were made on the close, but the market ended the day just above this level, reports Premier Man.

AMERICAN MARKETS

NEW YORK, April 5

Precious metals were under pressure from interest rate fears following a further increase in the U.S. prime rate to 12 per cent, reports Heinold Commodities. The increases in interest rates put pressure on copper and aluminium prices. Sugar came under pressure from tired long liquidation as bullish news remained lacking. Coffee was mixed with light profit-taking noted in the nearbys. Cocoa traded around unchanged levels with light support developing on requests for shipping extensions by the Ivory Coast. Cotton remained under pressure from long liquidation following Wednesday's news that China will be selling cotton on the world market. Heating oil was weaker on a lack of fresh fundamental news and an easing of nearby tightness. Grains and Soyabeans met heavy selling by locals and on technical selling off the downside move in the currencies, but found some support on the close as a result of very strong cash markets.

NEW YORK

ALUMINIUM 40,000 lbs, cents/lb

	Close	High	Low	Prev
April	66.35	—	—	67.50
May	66.95	68.20	66.50	68.10
June	67.45	—	—	68.60
July	68.00	68.60	67.70	69.15
Sept	69.10	69.45	69.45	70.25
Dec	70.70	—	—	71.85
Jan	71.25	—	—	72.40
March	72.35	—	—	73.50
May	73.45	—	—	74.60

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
April	911.0	932.5	932.5	938.0
May	916.0	943.0	906.0	943.5
June	924.3	—	—	952.4
July	933.2	961.0	923.0	961.0
Sept	950.9	970.0	942.0	979.0
Dec	977.9	1004.0	967.0	1006.5
Jan	937.2	1007.0	—	1016.0
March	1006.6	1033.5	1001.0	1035.5
May	1026.6	1054.0	1023.0	1055.2

CHICAGO

MARKET REPORT

Leading shares rally late to close only marginally easier after early weakness on adverse U.S. news

Account Dealing Dates

Option

*First Dealings	Declara- tions	Last Dealings	Account Day
Mar 26	Apr 5	Apr 6	Apr 16
Apr 9	Apr 26	Apr 27	May 8
Apr 30	May 10	May 11	May 21

* "New-time" dealings may take place from 9.30 am two business days earlier.

U.S. developments abruptly reversed Thursday's recovery in London equity markets. Leading industrials were unable to resist the effects of Wall Street's overnight fall to its lowest level for a year following the latest round of Prime lending rate increases. Most opened easier and slipped further as the revived concern over American financial and economic policies convinced some investors holding large recent profits that the time was ripe to realise them on only the first day of the new UK tax year.

Equity dealers were glad to see the end yesterday of the current trading Account, which has been dominated by tax-related activities. Throughout the week, markets have experienced substantial business representing the cashing-in of the big gains of recent months, and more lately specialised transactions whereby investors realise their profits but via the same deal re-purchase the stock. The establishment of tax losses has been less of a feature.

During the first hour of trade yesterday, buyers were extremely cautious but they later regained some composure and the FT Industrial Ordinary share index, after being 8.6 down at 10 am, rallied to stand around 5½ points lower at noon. Afternoon interest was extremely slow but after the official 3.30 pm close buying without penalty for the three-week Account beginning on Monday brought quite a recovery. Blue chips led the movement and the index recovered noticeably to close but 11.6 lower on the week at 865.4. This extended the fall on the Account to over 26 points against the previous Account's rise of 50.6.

Index-linked Government securities finished the week on a quieter note, but retained their earlier rises: in the case of Treasury 2 per cent 1996 the week's gain was of 1½ to 105¾. Conventional Gilts were little affected by the moves towards dearer U.S. credit and after a dull start edged better late with American bond values. These recovered sharply early yesterday on talk of a bear squeeze in the wake of recent weakness. Longer-dated Gilts occasionally closed ¼ harder on balance, while the shorts managed improvements extending to ⅛.

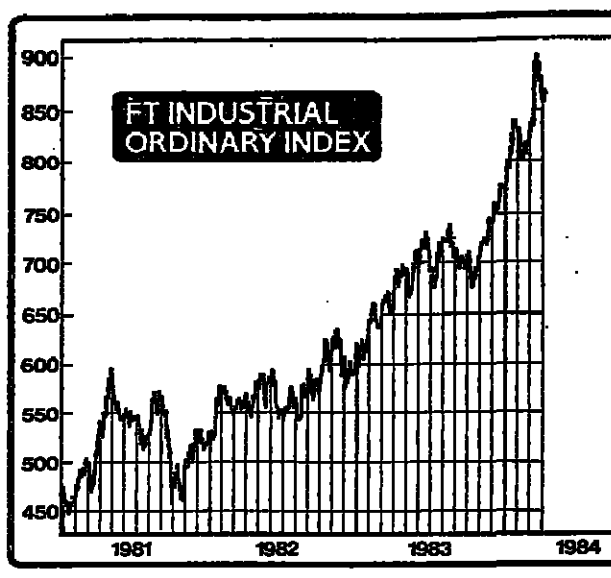
Stewart Wrightson highlighted Insurances with a gain of 15 to 375p following comment on the results. Other Lloyds Brokers made modest progress with Willis Faber closing 3 up at 805p and old bid favourite, Hogg Robinson, a couple of pence better at 210p. Life issues gave ground. Pearl, with preliminary figures scheduled for next Wednesday, lost 8 to 775p, while Equity and Law declined 7 to 760p. Recent glamour stock among Composites, Commercial Union, drifted lower to end 2 off at 218p, after 215p, in the absence of the rumoured trans-atlantic bid.

The major clearers brought the week to a disappointing close. Interest waned considerably and prices consequently drifted lower. Barclays lost 8 to 507p and Lloyds 7 to 613p. Bank of Scotland, on the other hand, put on 5 to 645p; the annual figures are due on April 18.

The Drinks sector plotted an irregular course. Distillers firmed 3 to 262p with sentiment still encouraged by the £173m acquisition earlier this week of Somerset Importers, which has sole U.S. import rights on three of their top brands, from Esmark Inc. Allied Lyons hardened a penny to 164p among Breweries where Bass, at 355p, gave up 5 of the previous day's gain of 12.

A mark-down at the outset followed by scrappy selling left Buildings with moderate falls, but a few leaders managed to edge off the botton after hours. Blue Circle settled a net 5 off at 410p, after 405p, but Tarmac, still overshadowed by rumours of a downgraded profits estimate, shed 8 more to 480p for a fall on the week of 26. Rugby Portland Cement attracted late support and firmed 2 to 105p; the annual results are due on Monday. A broker's recommendation failed to benefit Ibstock Johnsen, which lost 4 to 196p. Elsewere, Barratt Developments remained a depressed market and slipped to a 1983-84 low of 126p before closing a couple of pence cheaper at 128p. George Wimpey shed 4 to 144p and Costain a similar amount to 296p. John Finlan, down to 175p initially, picked up on news that Bermuda-based Amadeus had increased its stake to 20 per cent and closed only a penny cheaper on balance at 180p. Exeter Building shed 4 to 118p following the annual results. Against the trend, Wiggins Group firmed 3 to 69p on revived speculative interest, while demand in a restricted market lifted C. H. Pearce 35 to 460p.

After opening a shade easier on Wall Street advices, ICI encountered sporadic offerings and slipped to 592p prior to closing a net off at 594. Other Chemicals also had a dull appearance. Yorkshire slumped 9 to 59p following disappointing annual results, while speculative counter W. Canning reacted to 91p before settling the same amount down at 95p. Fresh demand lifted Brent Chemical International 4 for a two-day gain of 8 to 104p.



With the exception of Debenhams which hardened 2 afresh to 188p, Leading Stores retreated on profit-taking. Gussies A shed 5 to 655p and British Home cheapened 2 to 228p. Marks and Spencer eased the turn to 260p, after 258p. Currently in receipt of a 155p cash bid from P. Nash and S. Alexander, C. A. Sperati jumped 80 to 300p on the announcement that Mr Cyril Lewis Barnard had acquired a 6.6 per cent stake in the company. The combination of renewed speculative buying and call option business helped I. D. and S. Rivlin improve 3 afresh to 88p, after 94p.

STC improve

Movements in the Electrical leaders were usually limited to a few pence either way. Elsewhere, Standard Telephones and Cables rose 8 to 335p in response to news of the £1.2m Chinese telephone cable contract. Lec Refrigeration edged up 5 more to 378p awaiting next Thursday's preliminary statement, but Rotaflex, a rising market earlier in the week following good preliminary figures, ran back 6 to 109p on profit-taking. High-technology stocks took a distinct turn for the worse. Falls of 15 were recorded in Memory Computer, 290p, Micro Business, 475p, and Microlease, 265p. Selling after the interim results clipped 14 from Renishaw at 248.

Leading engineers passed an extremely subdued trading session after the previous day's revival. GKN followed the general trend and closed only a couple of pence cheaper at 200p, after having been down to 196p, but TI showed little resistance at 258p, down 6. Elsewhere, Brockhouses improved 3½ to 53½p on the increased and recommended offer from Evered, but profit-taking after the preliminary results left Glynwed 5 cheaper at 156p.

Applied Comp. up

Losses among the Food leaders were modest, but certain secondary issues came back quite sharply. Cullens Stores A, an old bid favourite, shed 15 to 160p on end-Account considerations, while Bassett, already down to 148p in official trading, eased afresh on the lapsing of Avana's share-exchange offer to close a net 10 down at 145p. Comment on the annual results left William Morrison 18 lower at 192p.

Marked down at the outset, leading Miscellaneous Industrials gradually recovered to show little alteration on balance. Glaxo, awaiting Monday's interim statement, settled only a couple of pence cheaper at 823p, after 810p, while Bowater finished 2 dearer at 310p, after touching 302p at one stage. Late support left BTR 12 dearer at 475p. Elsewhere, Applied Computer encountered revived demand and put on 60 to 720p, but other high-technology stocks came on offer after the recent show of strength. Consultants Computer reacted 50 to 760p. Favourable Press mention stimulated scattered support for Aaronite, up 6 at 133p, while William Baird hardened a couple of pence further to 325p in response to the preliminary results. Walker and Homer, in contrast, fell 3 to 13½p following lower interim profits. TSL Thermal Syndicate new nil-paid shares met with selling and fell 15 to 12p premium; the old shares were 13 lower at 63p. Other dull spots included Christies International, 8 off at 370p, Powell Duffryn, 6 cheaper at 326p, and Polly Peck, 5 down at 285p.

Among Television issues, LWT "A," a particularly good market recently on excellent half-year figures, ran into profit-taking and fell 16 to 282p. Intervision improved 2 to 26p and Black and Edgington put on 6 to 104p; the latter is a Hawley Group subsidiary.

A. and C. Black, 10 better at 305p, provided an isolated firm feature in a quiet Newspaper and Paper/Printing sector.

Leading Properties attracted a reasonable two-way business at the slightly lower opening levels. Land Securities slipped to 273p prior to closing a net 4 off at 274p. MEPC settled 3 cheaper at 294p, but Peachey attracted late support and hardened a couple of pence to 205p. Elsewhere, British and Commonwealth Shipping's 42 per cent-owned associate Country and New Town Properties firmed 4 to 99p on oil find hopes. Stockley traded briskly and closed a penny cheaper at 69p, after 68p; the 34.3m shares issued for the £19.7m West End property purchase have been placed with investment clients of brokers Cazenove. Scottish Metropolitan eased 2 to 85p following the interim figures.

P & O Deferred took the previous day's rally a stage further yesterday when renewed speculative buying on hopes that Trafalgar House might return with a bid left the shares 8 higher for a two-day improvement of 14 at 308p.

Atlantic rally

Irish exploration issues continued to hold the limelight in oils. Atlantic Resources ended a generally demoralising week and account on a firm note, rallying from an initial 50p to close a net 8 firmer at 58p, after 60p. Allowing for the share split, effective last Wednesday, Atlantic showed a 28 drop over the week following widespread rumours that the appraisal well drilled off the Waterford coast has failed to produce a commercial oil flow.

Other Irish issues took Thursday recovery movement a stage further. Bryson jumped 20 to 230p, and Eglinton Oil added 6 at 97p. Aran Energy, highly sensitive to movements in Atlantic Resources, rose 4 to 50p.

Leading domestic Oils lost ground at the outset, rallied in mid-afternoon, but encountered persistent selling in after-hours trading to close with modest overall losses. BP ended the day a couple of pence cheaper at 478p, after 485p, and Shell closed 3 easier at 627p, while falls in the region of 5 were common to Tricentrol, 200p, and Ultramar, 677p. Britoil and LASMO moved against the general trend and [illegible] apiece at 257p and 305p respectively. In the second liners Pict continued to attract good support on [illegible] drilling report and advanced 7 to 157p.

Following the announcement that talks are at an advanced stage between Harrisons Malaysian Plantations Berhad and Harrisons Crosfield regarding the restructuring of certain UK plantation companies, dealings in those concerned were suspended at 925p, Holyrood at £56, Kuala Selangor at 450p, Sogomana at 525p, Kinta Kellas at 260p, Sungei Bahru at 215p, Doranakande at 240p and Malaysia at 190p.

Golds quiet

Mining markets ended the week and Account on a subdued note, reflecting the closure of the Johannesburg market. The latest round of U.S. prime rate increases announced overnight prompted substantial selling of Golds in U.S. markets and led to a sharp mark down of prices at the opening in London. Thereafter the gold sharemarket showed little change and held relatively steady before edging higher at the close of trading. The Gold Mines index was a fraction harder at 655.5, but the bullion price, although 50 cents higher yesterday at $381 an ounce, showed a $7.25 decline over the five-day period.

Features in Golds were few and far between but Hartebeest posted a ¾ gain at £57¼ and Doornfontein a half-point rise at £16⅜. On the downside, the Anglo American group gold mines in the Orange Free State, due to declare dividends on April 18, attracted persistent selling with falls of ½ common to President Brand, £31⅝, and President Steyn, £38⅝.

Financials were uncertain. South African issues showed Middle Wits ½ firmer at £10¾ and coal producer Transvaal Consolidated Land a point up at £32 but remaining stocks in the sector were usually a fraction easier. The UK-registered Rio Tinto-Zinc eased 3 to 680p ahead of preliminary results due next Wednesday. Gold Fields reflected interest rate developments and eased 4 to 606p, while Charter Consolidated declined 3 at 247p.

Australians tended to ignore the sharp reaction on Wall Street and responded to the marginally firmer tone in overnight Sydney and Melbourne markets.

Leading issues were generally quiet with the exception of Western Mining which moved up 4 to 278p but the speculative Golds attracted strong support. Among the latter group Great Victoria Gold jumped 6 to a 1983-84 high of 44p, Metana rose a like amount to 210p and Black Hill Minerals hardened to 29½p. Newmetal continued to attract persistent speculative demand and added 3 more at 49p.

Malaysian Tins responded to the recent rise in tin prices on the LME and a rise in Far Eastern markets. Tronoh were especially firm, closing 35 to the good at 300p while Ayer Hitam rose 10 to 240p and Kamunting 5 to 225p.

Demand for Traded Options increased slightly with 3,253 contracts struck—2,099 calls and 1,154 puts. The week's daily average amounted to 3,450. Once again, Commercial Union attracted another good business on hopes of a U.S. bid with 786 calls—342 in the April 200s—and 196 puts.

FT-SE 100 INDEX

Close	1096.3	(−5.9)
Day's high	1098.3	[illegible]
Day's low	1090.0	(10.00 am)

(Base value=1000 December 30 1983)

FINANCIAL TIMES STOCK INDICES

	April 6	April 5	April 4	April 3	April 2	March 30	year ago
Government Secs.	82.79	82.81	82.60	82.66	83.02	83.19	81.90
Fixed Interest	86.59	86.63	86.52	86.56	86.73	86.75	83.78
Industrial Ord.	865.4	867.0	857.8	859.2	870.8	877.0	675.0
Gold Mines	655.5	656.4	648.9	658.7	661.5	666.9	596.7
Ord. Div. Yield	4.42	4.41	4.45	4.45	4.39	4.36	4.98
Earnings, Yld.% (full)	9.94	9.93	10.02	10.01	9.88	9.80	9.48
P/E Ratio (net)	12.05	12.10	12.00	12.01	12.20	12.28	12.84
Total bargains	31,857	32,490	31,140	31,019	30,802	28,420	27,746
Equity turnover £m.	—	283.01	363.71	279.93	270.32	331.7	303.54
Equity bargains	—	26,976	25,839	26,640	26,948	25,655	24,459
Shares traded (ml)	—	176.8	160.2	162.0	161.8	192.1	205.0

10 am 866.4. 11 am 860.2. Noon 861.4. 1 pm 861.4. 2 pm 861.4. 3 pm 862.0.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974. Latest Index 01-246 8026. *Nil=11.45.

HIGHS AND LOWS | S.E. ACTIVITY

	1983/84 High	1983/84 Low	Since Compilat'n High	Since Compilat'n Low		April 5	April 4
Govt. Secs.	83.77	77.00	127.4	49.18	Daily Gilt Edged Bargains	161.9	173.3
Fixed Int.	87.48	78.03	150.4	50.53	Equities Bargains	174.8	187.4
					Value	672.0	633.0
Ind. Ord.	901.4	598.4	901.4	49.4	5-Day Average Gilt Edged Bargains	170.0	169.8
Gold Mines	734.7	444.6	734.7	43.5	Equities Bargains	171.4	187.6
					Value	677.8	590.8

LEADERS AND LAGGARDS

Percentage changes since December 30, 1983, based on Thursday, April 5, 1984.

Office Equipment	+22.75	Other Industrial Materials	+11.03
Newspapers, Publishing	+20.50	Industrial Group	+10.72
Tobaccos	+17.89	All-Share Index	+10.11
Packaging and Paper	+17.89	Contracting, Construction	+9.80
Discount Houses	+17.41	Capital Goods	+9.66
Mining Finance	+17.32	Health and Household Products	+9.60
Textiles	+16.53	Shipping and Transport	+8.68
Insurance Brokers	+16.29	Leisure	+8.61
Brewers and Distillers	+16.13	Food Manufacturing	+8.11
Overseas Traders	+15.60	Investment Trusts	+7.18
Oils	+15.35	Electronics	+6.60
Mechanical Engineering	+14.43	Other Groups	+6.03
Gold Mines Index	+13.94	Banks	+5.79
Building Materials	+13.84	Financial Group	+5.59
Insurance (Composite)	+13.30	Property	+5.48
Motors	+12.60	Electricals	+4.28
Consumer Group	+12.45	Merchant Banks	+3.42
Metals and Metal Forming	+12.21	Food Retailing	+1.70
Stores	+12.22	Insurance (Life)	−1.24
500-Share Index	+11.41	Chemicals	−3.85

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar 19	Mar 30	June 28	July 9
Apr 2	Apr 13	July 12	July 23
Apr 16	Apr 27	July 26	Aug 23

For rate indications see end of Share Information Service.

Money was given for the call of [illegible]

Stocks favoured for the call were Resources, Minster Assets, W. E. Norton, Gestetner A, London & Northern, Smith St. Aubyn, GRA Group, Raybeck, ICP, RHP, M. P. Kent, W. Canning, Brengreen, Audiotronic, Fleet Holdings, Vantona, I. D. & S. Rivlin, Vesper, Suter, Aspinall, Acrow A, Yorkshire Chemical, UKO International, Riley Leisure, Barratt Developments, Birmid Qualcast, Jardine Matheson, Stewart Nairn, Armour, RHM, Combined Technology, Southwest Petromin. Puts were taken out in Thorn EMI, Lister and Aberfoyle, while double options were transacted in Burmah and Intervision.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS	Fri April 6 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield %	Est. P/E Ratio (Net)	Thurs April 5 Index No.	Wed April 4 Index No.	Tues April 3 Index No.	Mon April 2 Index No.	Year ago (approx.) Index No.	1983-84 High	1983-84 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (202)	511.31	−0.3	8.81	3.58	14.58	512.80	508.60	511.48	517.51	409.58	533.85 21/3/84	413.64 27/1/83	533.85 21/3/84	50.71 13/12/74
2 Building Materials (24)	501.21	−1.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (32)	740.19	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (14)	1674.96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Electronics (27)	1757.29	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (746)	516.21	−0.6	—	4.45	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

PRICE INDICES	Fri Apr 6	Day's change %	Thurs Apr 5	xd adj. today	xd adj. 1984 to date
British Government					
1 5 years	118.59	+0.14	118.42	—	3.32
2 5-15 years	133.08	+0.15	132.88	—	3.42
3 Over 15 years	142.72	+0.13	142.54	—	2.53
4 Irredeemables	154.00	+0.04	153.93	—	1.62
5 All stocks	131.31	+0.14	131.12	—	3.20
6 Debentures & Loans	109.17	+0.11	109.05	—	3.01
7 Preference	76.72	+0.12	76.63	—	2.46

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	30/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Electronics	30/12/83	1646.65	All Other	10/04/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/01/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

NEW HIGHS AND LOWS FOR 1983/84

NEW HIGHS (37)

BRITISH FUNDS (1) · CORPORATION LOANS (1) · FOREIGN BONDS (1) · AMERICANS (2) · BANKS (1) · STORES (1) · ELECTRICALS (2) · ENGINEERING (2) · FOODS (1) · INDUSTRIALS (6) · INSURANCE (2) · LEISURE (1) · SHIPPING (1) · TEXTILES (2) · TRUSTS (1) · OILS (1) · PLANTATIONS (1) · MINES (4)

NEW LOWS (24)

AMERICANS (2) · CANADIANS (1) · BANKS (1) · BUILDINGS (2) · STORES (1) · ELECTRICALS (2) · ENGINEERING (1) · FOODS (1) · INDUSTRIALS (6) · LEISURE (2) · TRUSTS (1) · OILS (2) · MINES (1)

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	70	4	20	189	195	132
Corpns. Dom. and Foreign Bonds	10	3	56	85	35	215
Industrials	147	582	709	929	2,278	3,985
Financial and Props.	34	247	267	324	797	1,591
Oils	34	24	69	86	157	320
Plantations	3	3	14	15	17	68
Mines	45	67	88	182	282	521
Others	37	47	74	202	301	299
Totals	384	980	1,286	2,041	4,182	7,031

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Applied Computer	720	+60	MEPC	294	−3
Atlantic Resources	58	+8	P. & O. Deferred	308	+8
Bowater	310	+2	Plessey	232	−3
Chrysalis	271	+9	Stockley	69	−1
ICI	594	−5	TSL Thermal Syndt	63	−13
Land Securities	274	−4	Tarmac	480	−8

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

Renunciation date usually last day for dealing free of stamp duty. [illegible]

STOCK EXCHANGE DEALINGS

[illegible] business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

‡ Bargains at special prices. ⊕ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

STERLING ISSUES BY FOREIGN GOVERNMENTS

CORPORATION AND COUNTY

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS

(coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

Mansfield Brewery (£1) 320 3 5 8 30

Marston Thompson Evershed 53 4 5 6. 4¼pcDb 1992 £70 (3/4). 6pcLn 1983 £65. 7pcLn 1993-98 £64 (30/3)

Scottish Newcastle Breweries 5½pcPf (£1) 30½. 5¼pc1stDb 1979-84 £101¼ (4.4). 6pc1stDb 1984-89 £80½. 6¼pc1stDb 1985-90 £81. 7¼pc1stDb 1989-94 £77¾

Seagram Distillers 12¾pcDb 2012 £107½ (4 4)

Shipstone (J.) 4pc1stDb £34 (3/4)

South African Breweries 6.2pcPf (R2) 30 (3/4). 7pcPf (R1) 35 (30/3)

Thwaites (D.) 5pc1stPf (£10) 450 70

Truman 7¼pcDb 1988-93 £78 (4/4). 10¼pc Db 1991-96 £94

Watney, Mann and Truman Hldgs 4¾pcDb 1958-95 £66¼. 6pcDb 1983-94 £63¼ ½ 73¼. 6½pcDb 1987-92 £82. 7pcDb 1988-93 £79½. 7¼pcDb 1987-92 £78 9. 13½pcDb 1990-95 £87. 5½pcLn £42. 7¼pcLn 1994-99 £71. 8pcLn 1990-95 £73¼ ¾

Whitbread B 149 (2 4). 4½pc1stPf (£1) 35 (2/4). 5½pc3rdPf (£1) 47½. 6pc3rd Pf (£1) 51½. 7pc3rdPf (£1) 60. 4½pc Db 1999-2004 £53¼ 1 (4/4). 6¼pcDb 1987-92 £76½ (2/4). 6½pcDb 1986-91 £73 (2/4). 6¾pcDb 1984-87 £90. 7pcDb 1988-93 £79¼ (2 4). 7¾pcDb 1989-94 £81¾ 2. 7¼pcLn 1986-91 £79¼. 7¼pc Ln 1995-99 £68¾ 70 ¼ ¾ 1. 7¾pcLn 1995-2000 £75¾. 10½pcLn 2000-05 £95½ 6. 5¾pcLn £47¼ (4.4)

Whitbread Inv 156 60. 5¼pcDb 1984-89 £81 (2/4). 6½pcDb 1987-92 £77

Brooke Bond Group 5¼pcDb 1980-85 £94¼. 5¼pcLn 2003-08 £51 (3/4). 7pcLn 2003-08 £64½⊕. 7¼pcLn 2003-2008 £71½

Brown and Tawse 7pcPf (£1) 45 (30/3)

Brown Boveri Kent 8pcLn 1988-93 £72 (3/4)

Brown (John) 6½pcDb 1984-89 £86½ (2/4). 5¾pcLn 1998-2003 £48 (4/4)

Bulgin (A. F.) (5p) 230

Burgess Prods (Hldgs) A Non-vtg 44 (3 4)

Burmatex New (10p) 180

Burndene Invests 8½pcLn £79 (4/4)

Burton Gp Wts 229 31. 7pcLn 1986 £97½ 8. 8pcLn 1998-2003 £73 (2/4). 9¼pcLn 1998-2003 £83

Butlin's 6½pc1stDb 1982-87 £87½. 7½pc 1stDb 1985-90 £82 (4/4)

Butterfield-Harvey 5½pcPf (£1) 33 (3/4)

Cadbury Schweppes 3½pc1stPf (£1) 43½ (3 4). 5¼pc1stDb 1994-2004 £75½ 6¼. 9pc1stDb 1988-93 £90

Caffyns 6½pc1stPf (£1) 47½ (2/4). 10pcPf (£1) 90 (2/4)

Cakebread Robey 8½pcLn 1993-98 £71 (30/3)

Caledonian Assoc Cinemas £10¾ (4/4). 4.9pcPf (£1) £07⅛⊕. 5.2pcPf (£1) 50 (4/4)

Calor Gp 7pcDb 1985-90 £81½ (4/4)

Canning (W.) 7½pcLn 1988-93 £69½

Cantors (20p) 78 (4/4)

Carclo Eng Gp 10½pcPf (£1) 88 9 91 (30/3)

Carlton Industs 7pcPf (£1) 82 (3/4). 9½pc Ln 1986-91 £91½

Carpets Intnl 6¾pcDb 1992-97 £70 ½

Carrington Viyella 4.55pcPf (£1) 49 ½. 5.6pcPf (£1) 59 ½. 7.5pcDb 1984-89 £84½. 6.4pcDb 1989-94 £65 6. 7.75pc Ln 1987-92 £70½. 8.1pcLn 1997-2002 £64½ (4/4)

Carter Hawley Hale Stores ($5) £64¼ (4.4)

Cavenham 6½pc1stPf (£1) 46 (2-4). 7pc 1stPf (£1) 50½. 7¼pc1stPf (£1) 50 (3 4). 13pc1stPf (£1) 97 ½ 8½. 10¼pc Ln 1992-97 £86½ ¼ 9¼. 10½pcLn 1991-1996 £91 ¾

Celtic Haven (5p) 31 ½

Matin (J. J.) Paper Mills 4750

Manganese Bronze Hldgs 8½pcPf (£1) 60 (30 3)

Manor National 10½pcPf (£1) 71. 12pc Ln 2003 £78

Maple Co (Hldgs.) 10½pcLn 1998-2002 £85¼ 6¼ (4 4)

Mappin Webb Hldgs 6pcPf (£1) 50 (30.3). 5½pc2ndPf (£1) 47 (2.4)

Marchwiel 9pcPf (£1) 105 (3 4)

Marks Spencer 7pcPf (£1) 64⊕. 10pcPf (£1) 87

Marley 6¼pcDb 1983-88 £82¼ (3/4)

Marshall (Thomas) Co (Loxley) 37 (4/4).

Vickers 5pcPf (£1) 35. 5pcPf (£1) 55

Victor Prods 10pcPf (£1) 90

Victoria Carpet Hldgs 21 (2.4)

W Ribbons Hldgs 10pcPf 1995-96 (£1) 150 (2 4)

Waddington (J) 6pcPf (£1) 49 (3.4). 8pc Pf (£1) 64½ (4 4)

Walker (T) (5p) 16½

Ward White Grp 3.5pcPf (£1) 45

Warehouse Group 255

Warner Holidays 6½pcPf (£1) 40

Warwick Engg Invs 10pcLn 1975-85 £95. (30 3)

Waverley Cameron 102 (2.4)

Barranquilla Invest 5½pcDb £75½ ¼ (4 4)

Bilton (Percy) 2220

Bradford Prop Tst 10½pcPf (£1) 113½ (30.3)

British Land 15pc1stDb £109½ (3.4). 12pcLn £380

Brixton Estate 11¼pc1stDb £27¼ (30/3)

Capital & Counties 9¼pcLn £89½

Centrovincial Estates 6¼pcLn £67

Charlwood Alliance Hldgs 8½pc1stDb £83 (30.3). 7½pcLn (50) 29 (4/4)

Churchbury Estates 9pcLn £78½ 9. 8pcLn £132 (2/4)

Colne Valley Water 4.9pc (fmly 7pc) £56 (2 4). 2.8pc (fmly 4pc) Pf £30. 4.025pc (fmly 5¾pc) Pf 1988-93 (£68 (4 4)

East Anglian Water 3.5pc (fmly 5pc) Cons £39 (3 4)

East Surrey Water B 4.9pc (fmly 7pc) £54½ (3 4). 3.5pc (fmly 5pc) Pf £39. 4pcDb £29. 7¼pcDb 1991-93 £76½ 7½ (3 4)

East Worcestershire Waterworks 3.5pc (fmly 5pc) £39 (30/3)

Eastbourne Waterworks 7½pcDb 1990-92 £73 (30 3). 10½pcDb 1995-97 £96 (3 4)

Essex Water 3.5pc (fmly 5pc) Pf £40. 4.025pc (fmly 5¾pc) Pf 1986-88 £62¼. 4.2pc (fmly 6pc) Pf 1984-86 £89 (3 4). 4pcDb £31. 5pcDb £41 (2 4). 7pcDb 1987-89 £84 (3 4). 10pcDb 1992-94 £94½ (2 4)

Folkestone District Water 3.5pc (fmly 5pc) (£10) 330 40 (2 4). 5pcDb £37 (30 3)

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

UNIT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

WATERWORKS

UNLISTED SECURITIES MARKET

Greenbushes Tin 71 (2/4)

Greenvale Mining (A$0.20) 8 (4/4)

Greenvale Mng (A$0.05) 4 (4.4)

Hang Seng Bank 350 (3/4)

Hartogen Energy 200 1½

Hawk Invests 18⊕ (3/4)

Heineken N.V £33½⊕

Hemerdon Mng and Smelting 30 (4/4)

Hewlett-Packard £23½

Highveld Steel and Vanadium 344¼ (2.4)

Hill 50 Gold Mines 22

Hong Kong Electric Hldgs 62½

Hong Kong Telephone 430 (3.4)

Hong Leong 12⊕ (4/4)

Hospital Corp of Amer £27 (4.4)

Humana Inc £17⅝⊕ (2/4)

Hunan Devpt 4 ¼ ½

ICI Aust 138⊕

Indian Ocean Res (1982) 47⊕

Interlake Devpt Corp 1854 6½ (4.4)

Intnl Harvester 540⊕ (30/3)

Intnl Res and Tech 24⊕

Jardine Matheson Finance Wrnts 12 (3/4)

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any stock exchange

Seymours 4pcPf 48 (30/3)

Sthrn Newspapers 225 4 5 6 (4 4)

Stead Simpson 4½pcPrp £34 7 (3/4)

Taddale Invs 37 9 (3 3)

Tichbury Brwy 11 (5 4)

Welsh Inds Inv Trst Pfd 10 2 (4 4)

Winchmore 35 ½ (30 3)

Wistech 16½ 17 (2 4)

Wynstay Props 106 (4/4)

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration

Kenmare Oil Expln (I£0.25) 5 (5 4)

Voyager Petlm (UK) (10p) 62 (4.4)

(By permission of the Stock Exchange Council)

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$375	—	—	22	28 B	3	39	$381.60
GOLD C	$400	37	4	2	15	3	24 B	"
GOLD C	$425	1	1.80 B	15	7.50	12	14	"
GOLD P	$350	20	1.80	9	3	—	—	"
GOLD P	$375	80	6 A	10	8	18	10	"
GOLD P	$400	38	21.50	11	21.50	—	—	"
GOLD P	$425	3	46	—	—	—	—	"
		June		Sept.		Dec.		
SILVER C	$9	5	0.65	6	1.10	—	—	$9.19
SILVER C	$10	4	0.35	6	0.60	—	—	"
SILVER C	$11	8	0.10	—	—	—	—	"
SILVER P	$10	—	—	12	1.30	40	1.30 B	"
		April		July		Oct.		
AH P	F.200	5	7.40 A	109	14	—	—	F.198
AKZO C	F.100	307	1.40	153	7	6	10.10	F.93
AKZO C	F.110	273	0.40	110	3.80	39	7	"
AKZO C	F.120	144	0.10	179	2.40	6	4.50	"
AKZO P	F.90	44	0.60	100	3.50	5	6 B	"
AKZO P	F.100	28	6	119	8.30	2	9.20	"
AKZO P	F.110	129	15.30	40	15.50	—	—	"
AMRO C	F.70	47	4.10 B	—	—	—	—	F.73.80
AMRO C	F.75	84	1.20	85	4	10	5.50	"
AMRO C	F.80	75	0.40	20	2	—	—	"
HEIN C	F.140	106	2.70 B	106	9 B	—	—	F.138.50
HEIN C	F.150	85	1	145	5.50	—	—	"
HEIN C	F.160	5	0.40	80	3	10	5	"
HEIN P	F.130	58	0.30	41	3.80	—	—	"
HEIN P	F.140	32	4	228	8	—	—	"
HOOG C	F.48.20	1	1.20	62	4.60	4	6.50	F.4870
HOOG P	F.48.20	20	1.60	81	3.70	—	—	"
KLM C	F.170	78	6.30	9	18	2	22	F.171.90
KLM C	F.180	122	3	18	13	1	18	"
KLM C	F.190	62	1.70	65	9	—	—	"
KLM C	F.200	284	0.70 A	117	6.80	2	13	"
KLM C	F.210	54	0.40	52	4.10	1	8.50	"
KLM C	F.220	4	0.10	54	2.80	24	6	"
KLM C	F.230	6	0.10	67	1.80	2	4.20	"
KLM P	F.160	34	1.30	50	5.20	—	—	"
KLM P	F.170	101	3.80	89	10	10	13	"
KLM P	F.180	63	10.50	37	16.50 A	3	20.90	"
KLM P	F.190	47	20.30	1	25	—	—	"
NEDL C	F.120	65	4	5	10	—	—	F.122.50
PETR C	Fr.7500	85	150	6	300	—	—	Fr.7490
PHIL C	F.45	333	3.50	95	5.30	9	7.30	F.48.30
PHIL C	F.50	706	0.30	302	3	154	4.80	"
PHIL C	F.55	112	0.10	—	—	—	—	"
PHIL P	F.40	—	—	—	—	50	1	"
PHIL P	F.45	338	0.50	50	1.90	38	2.40	"
PHIL P	F.50	25	2.80	49	4.30	15	4.60	"
RD C	F.130	314	23.50 B	5	23.50	—	—	F.152.50
RD C	F.140	160	12.50 B	13	15.50	10	18	"
RD C	F.150	644	4.50	121	9.50	36	14.50	"
RD C	F.160	368	0.80	208	5	61	9.40	"
RD C	F.170	9	0.20	230	2.10	28	4.80	"
RD P	F.140	9	0.20 B	59	2.60	7	5	"
RD P	F.150	200	1.90	168	7.30	5	10.50	"
RD P	F.160	510	8.30 A	517	13.50	—	—	"
UNIL C	F.260	75	2.30	36	10	—	—	F.255.50
UNIL P	F.240	—	—	174	4.30	—	—	"
EOE C	F.140	2	27	—	—	—	—	F.168.35

TOTAL VOLUME IN CONTRACTS 14,139

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls July	Calls Oct.	Puts Apr.	Puts July	Puts Oct.
B.P. (*483)	390	95	98	—	1	3	—
	420	65	68	75	3	8	11
	460	26	37	45	9	15	25
	500	6	20	28	25	32	37
Cons. Gold (*611)	460	150	157	—	1	2	—
	500	110	123	132	1½	6	12
	550	62	80	90	5	17	22
	600	20	45	65	19	34	43
	650	3	20	35	57	65	70
Courtaulds (*146)	100	47	48	—	1	1	—
	110	37	38	—	1	1	—
	120	27	29	—	1½	2	—
	130	17	21	25	1½	3	4
	140	9	15	19	4	7	9
	160	1½	7	10	19	21	23
Com. Union (*215)	140	80	82	—	1	1½	—
	160	60	62	65	1	2	3½
	180	40	46	49	1½	6	7
	200	21	28	35	6½	9	15
	220	10	21	28	9	18	24
	240	4½	13	15	28	28	35
G.E.C. (*183)	160	27	34	44	1	2	3
	180	10	24	30	6	10	13
	200	3	13	21	23	24	26
	220	1	7	13	40	40	40
	240	1	—	—	—	—	—
Grand Met. (*324)	275	51	55	60	1	3	6
	300	26	32	40	2	8	10
	325	5	—	—	11	—	—
	330	—	17	22	—	21	24
	360	1½	8	13	38	46	50
I.C.I. (*592)	500	96	—	—	1	—	—
	550	46	63	68	3	9	16
	600	12	30	36	16	30	40
	650	2	12	20	58	64	74
Land Sec. (*274)	240	36	40	47	2	2	4
	257	20	26	—	1½	4	—
	260	17	24	31	2½	6	9
	280	4	12	19	10	15	19
	300	2	7	14	28	31	37
Marks & Sp. (*256)	220	39	42	46	1	2	3
	240	21	25	28	1½	6	9
	260	8	14	18	9	14	17
	280	3	7	11	24	27	30
Shell Trans. (*628)	550	82	100	—	1½	4	—
	600	38	57	70	4	15	18
	650	11	25	38	30	35	43
	700	3	12	22	73	75	78

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
Barclays (*509)	460	55	70	—	2	6	—
	500	27	43	57	17	23	27
	550	7	20	35	45	45	54
	600	1	8	—	93	95	—
Imperial Gp. (*140)	120	23	—	—	1	—	—
	130	13	19	—	2	3	—
	140	5½	11	15	5	8	10
	150	1½	4½	7	22	24	26
LASMO (*303)	260	40	55	—	4	8	—
	280	25	43	55	7	17	18
	300	15	33	42	17	30	35
	330	7	22	32	40	48	53
	360	4	13	—	70	73	—
	390	2	—	—	—	—	—
Lonrho (*144)	110	35	39	—	1	1	—
	120	26	29	—	1	1½	—
	130	16	22	—	1	2½	—
	140	11	15	20	5	8	9
	160	3	7	11	19	20	22
P. & O. (*310)	240	65	72	—	2	2	—
	260	45	53	60	2	3	5
	280	28	37	47	4	6	11
	300	15	26	35	11	15	19
	330	5	15	24	30	34	39
Racal (*212)	180	36	44	—	1	3	—
	200	20	30	38	5	8	12
	220	10	18	26	14	20	24
	230	4	—	—	—	—	—
	250	1½	—	—	—	—	—
R.T.Z. (*679)	550	140	150	—	1½	4	—
	600	92	105	—	6	9	—
	650	55	70	80	13	25	32
	700	20	37	47	38	47	57
Vaal Reefs (*$128)	100	29	32½	—	0½	3	—
	110	20	23½	—	2	5½	—
	120	11½	16	19½	3½	5½	9½
	130	6½	10½	13	7½	13½	15
	140	2½	6	6½	14½	20½	22

Option		Calls June	Calls Sep.	Calls Dec.	Puts June	Puts Sep.	Puts Dec.
Beecham (*310)	280	35	45	—	3	5	—
	300	22	32	38	10	13	16
	330	8	14	22	27	30	33
	360	3	5	12	55	57	58
Bass (*353)	300	60	65	—	3	4	—
	330	35	42	48	3	10	15
	360	13	20	26	15	20	25
	390	5	9	14	40	45	45
De Beers (*$815)	750	75	105	—	20	27	—
	800	43	70	90	40	50	60
	850	25	45	65	78	60	85
	900	13	27	—	115	125	—
Guest Keen (*196)	160	45	46	—	2	2½	—
	180	24	29	—	3	6	—
	200	13	19	25	9	14	15
	220	7	11	16	22	26	29
Hanson (*191)	147	49	—	—	2	—	—
	160	35	40	—	2	3	—
	175	24	29	—	3	6	—
	180	20	25	31	6	9	11
	187	15	21	—	9	12	—
	200	10	15	19	15	19	25
Tesco (*185)	180	17	20	24	6	9	13
	200	7	10	15	18	21	24

Apr. 6. Total Contracts 3,253. Calls 2,099. Puts 1,154.

*Underlying security price.

INSURANCE & OVERSEAS MANAGED FUNDS

Lloyds Life Assurance—cont.
Gartmore Funds—Series A

American Apr 3	156.9	165.2	.....	—
Australian Apr 3	117.2	123.4	.....	—
British Apr 3	144.4	152.0	.....	—
Commodity Apr 3	139.3	146.7	.....	—
Extra Inc Apr 3	140.9	148.4	.....	—
Far Eastern April 3	130.0	136.9	.....	—
Gilt April 3	105.0	11 .6	.....	—
Global Strat April 3	192.0	202.2	.....	—
Gold Share April 3	82.6	87.0	.....	—
High Inc April 3	137.7	145.0	.....	—
Income April 3	170.1	179.1	.....	—
Japan April 3	200.5	211.1	.....	—
Oil and Energy April 3	127.1	133.8	.....	—
Special Sits April 3	153.9	162.0	.....	—
UK Smllr Cos April 3	144.7	152.4	.....	—
Man Curr April 3	164.6	173.3	.....	—

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	68.7	72.7	....	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511.

Money Mngr April 2	66.6	71.3	.....	—
MIF Flexible April 6	57.1	6 .2	.....	—
Fixed Interest April 2	57.7	60.8	.....	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

London & Manchester Group
Winslade Park, Exeter EX5 1DS. 0392 52155

	Cap	Acc	.....	Rd M/C
Invest Trust Fd	323.5	348.9	−5.3	3.65
Property Fd	117.9	126.6	....	131.9
Fixed Int Fd	142.8	153.6	+0.1	—
Equity Fd	142.3	152.6	−0.7	—
Intnl Fd	130.1	139.3	−1.3	—
Guaranteed Dep Fd	140.0	149.1	....	—
Flexible Fd	194.2	208.5	+0.9	214.7
Moneymaker Fd	—	182.4	+0.5	—
Cap Growth Fd	—	455.8	−2.4	—
Exempt Inv Tst Fd	490.1	522.3	+0.6	—
Exempt Inv Non Shs.	—	517.3	+0.5	531.1
Exempt Ppty Fd	190.5	203.2	+0.3	—
Exempt Ppty Non Shs.	19.5	201.1	+0.3	206.4
Exempt Fixed Int Fd.	109.9	117.0	+0.7	—
Exempt Equity Fd	126.2	134.1	+1.1	—
Exempt Gtd Dep Fd	106.0	112.6	+0.1	—
Exempt Flex Fd	263.5	280.8	+1.8	—
Exempt Flex Non Shs.	—	278.1	+1.8	284.9

M & G Group
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588.

American Fund Bond	119.9	126.0	−1.2	—
American Rec. Bond	178.5	187.6	−2.5	—
American Smlr Cos Bd.	76.7	80.6	−0.4	—
Australasian Bond	121.8	128.0	+0.2	—
Commodity Bond	140.9	148.0	+0.6	—
Deposit Bond	183.6	192.9	+0.1	—
Equity Bond (Acc)	341.7	358.9	+2.5	—
Extra Yield Fd. Bond	177.2	186.2	+1.7	—
Far Eastern Bond	122.4	128.6	.....	—
Gilt Bond	190.6	200.3	+0.6	—
Gold Bond	114.6	120.4	−0.1	—
High Yield Bond	141.3	148.4	+1.1	6.15
Index-Linked Gt Bd.	99.7	104.7	+0.2	—
International Bond	233.5	245.3	−0.4	—
Japan Fund Bond	122.0	128.3	−0.7	—
Managed Bond	299.3	314.4	+0.8	—
Property Bond	249.6	262.1	.....	—
Recovery Fund Bond	159.5	167.6	+1.3	—
Family Bond	—	477.5	.....	—
Personal Pensions	—	758.1	+2.4	—
Flexible Pension Funds				
American (Cap.)	195.4	205.2	−1.3	—
Do. (Accum.)	239.5	251.6	−1.6	—
Deposit (Accum.)	160.6	168.7	.....	—
Equity (Cap)	218.0	229.0	+1.9	—
Equity (Acc)	267.3	280.7	+2.3	—
Gilt (Cap.)	190.1	199.7	+0.6	—
Do. (Accum.)	233.1	244.9	+0.9	—
Gold (Cap)	89.8	94.4	+0.2	—
Gold (Acc)	110.1	115.7	+0.3	—
Ind-Linked Gilt (Acc)	105.2	110.5	+0.1	—
Managed (Cap.)	198.0	208.0	+0.9	—
Do. (Accum.)	242.7	254.9	+0.9	—
PPP Fund (Cap.)	156.5	164.4	+0.5	—
Do. (Accum.)	191.9	201.6	+0.7	—
Pacific (Cap.)	233.3	245.0	+0.7	—
Do. (Accum.)	286.0	300.4	+0.9	—
Property (Accum)	150.3	157.9	.....	—

Manufacturers Life Insurance Co. (UK)
St. George's Way, Stevenage. 0438 356101

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund		292.2	.....	—
Property Fund (A)		283.7	.....	—
Agricultural Fund		1,149.4	.....	—
Agric. Fund (A)		1,117.7	.....	—
Abbey Nat. Fund		232.5	.....	—
Abbey Nat. Fd. (A)		232.5	.....	—
Investment Fund		145.5	.....	—
Investment Fund (A)		142.3	.....	—
Equity Fund		462.5	−3.4	—
Equity Fund (A)		453.7	−3.4	—
Money Fund		233.3	.....	—
Money Fund (A)		219.0	.....	—
Actuarial Fund		234.2	.....	—
Gilt-edged Fund		196.4	.....	—
Gilt-Edged Fd. (A)		196.4	.....	—
Retire Annuity		365.0	.....	—
Immed. Ann'ty		192.0	.....	—
International Fd.		267.4	−3.0	—
Bldg. Soc. Life Fd.		108.7	.....	—

Property Growth Pensions & Annuities Ltd.

All W'ther Ac. Uts.	282.9	297.8	.....	—
Inv. Fd. Uts.		316.2	.....	—
Pension Fd. Uts.		264.4	.....	—
Conv. Pens. Fd.		309.8	.....	—
Cnv. Pns. Cap. Ut.		228.0	.....	—
Man. Pens. Fd.		367.0	.....	—
Man. Pens. Cap. Ut.		281.0	.....	—
Prop. Pens. Fd.		271.7	.....	—
Prop.Pens.Cap.Uts.		217.4	.....	—
Bldg. Soc. Pen. Ut.		269.1	.....	—
Bldg. Soc. Cap. Ut.		203.5	.....	—
Gilts Pens. Fd		178.1	.....	—
Gilts Pens. Fd. Cap.		153.3	.....	—
Equity Pens. Fd.		291.1	−1.8	—
Equity Pens. Fd. Cap.		250.4	−1.5	—
Intl. Pens Fd		102.2	−0.8	—
Intl Pens Fd Cap		101.1	−0.8	—

Providence Capitol Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Equity Acc.	118.3	124.8	.....	—
Fixed Interest Acc.	92.9	98.1	.....	—
Intnl. Acc.	85.7	90.5	.....	—
Managed Acc.	97.2	102.5	.....	—
Property Acc.	116.8	123.2	.....	—
Money Acc.	76.1	80.2	.....	—
Special Market Acc.	73.9	78.0	.....	—
Japan Acc.	76.6	80.9	.....	—
North America Acc.	67.4	71.1	.....	—
Pacific Acc.	55.8	58.9	.....	—
Technology Acc.	78.0	82.3	.....	—
Nat. Resources Acc.	56.2	59.3	.....	—
Japan Growth Acc.	105.9	111.8	.....	—
Individual Pension Funds				
Equity Acc.	111.2	117.3	.....	—
Fixed Interest Acc.	95.2	100.5	.....	—
Intnl. Acc.	98.6	1 4.1	.....	—
Managed Acc.	95.0	1 .2	.....	—
Property Acc.	84.0	88.7	.....	—
Money Acc.	71.1	75.0	.....	—
Group Pension Funds				
Equity	353.5	364.5	.....	—
Fixed Interest	272.7	281.2	.....	—

Provident Mutual Life Assc. Assn.
Willian Rd., Hitchin, Herts, SG4 0LP 0462-52991

Managed Ord	139.6	146.9	−1.1	—
Managed Init	132.9	139.9	−1.0	—
Equity Ord.	159.8	165.2	−2.0	—
Equity Init	152.1	16 .1	−2.0	—
Overseas Equity Ord	146.9	154.6	−1.1	—
Overseas Equity Init	139.8	147.2	−1.0	—
Property Ord.	107.0	112.6	.....	—
Property Init.	101.9	107.3	.....	—
Fixed Interest Ord.	114.1	120.1	.....	—
Fixed Interest Init.	108.6	114.3	.....	—
Deposit Ord.	103.5	1 8.9	.....	—
Deposit Init.	98.5	1 3.7	.....	—
Pension Funds				
Managed Ord.	148.1	1 .9	−1.3	—
Managed Init.	141.0	148.4	−1.2	—
Equity Ord.	172.0	181.1	−2.5	—
Equity Init.	163.7	172.3	−2.4	—
Overseas Equity Ord.	155.0	163.2	−1.1	—
Overseas Equity Init.	147.6	15 .4	−1.0	—
Property Ord.	111.1	116.9	+0.1	—
Property Init.	105.7	111.3	.....	—
Fixed Interest Ord.	117.1	123.3	.....	—
Fixed Interest Init.	111.5	117.4	.....	—
Deposit Ord.	109.4	115.2	.....	—
Deposit Init.	104.2	109.7	.....	—

Provincial Life Assurance Co. Ltd.
222, Bishopsgate, EC2. 01-247 6533

Managed Fd	300.1	316.3	−2.7	—
Cash Fd	164.3	173.2	.....	—
Property Fund	172.1	183.1	.....	—
Equity Fund	316.3	333.4	−4.1	—
Fxd. Int. Fund	189.2	199.4	+0.2	—

OFFSHORE AND OVERSEAS

NOTES

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard EC4P 4DX 01-236 1833

High Income				
Gilts & Fixed Int.	117.4	124.2xd	.....	9.66
High Inc Equity	62.5	66.5xd	−0.9	6.36
Capital Growth				
American Growth	93.1	100.1	−1.3	1.80
Assets & Ernes. Tt.	58.5	62.4	−0.4	2.78
Capital Reserve (z)	52.8	53.1xd	+0.1	9.79
Commodity & Engy.	81.9	87.1xd	−0.3	2.55
General	95.6	102.2	−1.1	2.43
Japan	145.7	155.0	+0.5	0.19
UK Growth	58.9	63.3xd	−0.7	2.20
Acc Units	82.7	88.9	−0.8	2.20
US Emerging Co's	45.8	46.7xd	+0.1	0.53
Worldwide Bond	147.0	156.4	+0.9	3.52
Equitas Prog.	136.6	146.1	−0.4	4.01

Aitken Hume
1, Worship St., EC2 01-628 6626

American Tech Fd.	114.9	123.0	−1.1	0.10
Inc & Gwth Fd.	35.0	37.3	−0.6	4.81
Pacific Fd	147.0	156.6xd	−1.4	0.40
Secure Income Fd	127.6	136.1	−0.7	5.65
Special Sits.	159.3	170.0	−2.3	0.97
Energy Fd	226.3	241.4	−0.4	0.60
Exempt Fd	396.0	423.5	.....	3.00
Small Co's Fd.	272.9	291.3	−2.0	1.70
Jap. Technology	64.9	69.3	−0.7	0.20

Allied Unit Trusts Limited (A.) (G.)
Allied Hambro Hse., Hutton, Brentwood, Essex
Brentwood (0277) 211459 & 229123

Anderson Unit Trust Managers Ltd.
62, London Wall, EC2R 7DQ 01-638 1200

Anthony Wieler Unit Tst. Mgmt. Ltd.
19, Widegate St., London E1 7HP. 01-377 1010.

Arbuthnot Securities Ltd. (a)(c)
131, Finsbury Pavement, EC2A 1AY 01-628 9876

INSURANCES

Insurances—continued

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

1983-84 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
104⅝	100 13/16	Exch 14pc 1984	100 13/16	.....	13.92	9.06
98⅞	92½	Exch. 3pc 1984	98⅝	+¼	3.04	8.70
102 13/16	100 1/16	Treas 12pc 1984	101¼	.....	11.85	9.06
107 11/16	104⅝	Treas. 15pc 1985	104⅝	.....	14.34	9.26
107	101 1/16	Exch. 12pc Cnv. '85	102⅜	+ 1/16	11.72	9.31
94⅝	88⅝	Treas 3pc 1985	94 3/16	+⅛	3.19	8.56
102⅝	99⅝	Treas 11½pc 1985	102¼	.....	11.25	9.53
102	95	Treas 8½pc Cnv '85	98⅞	.....	8.85	9.57
104⅞	100⅛	Exch. 12¼pc 1985	103⅝	.....	11.83	9.73
103 13/16	99 3/16	Exch. 11¾pc '86	103¼	.....	11.38	9.78
102¾	97¼	Treas. 10pc Cnv 1986	101 1/16 xd	+⅛	9.89	9.41
90¼	85⅝	Treas 3pc 1986	88 13/16	+ 1/16	3.37	8.86
102	97 3/16	Exch. 10½pc Cv '86	101 1/16	+⅛	10.39	9.92
104 3/16	100 1/16	Treas 12pc 1986	103⅝	+ 1/16	11.58	10.07
98¾	94⅛	Treas 8½pc 1984-86‡‡	97⅜	+ 1/16	8.73	9.81
109 3/16	105 3/16	Exch. 14pc 1986	108 11/16 xd	+ 1/16	12.88	10.07
87⅛	84½	Exch. 2½pc 1986	85½	+⅛	2.93	8.87
107¾	103⅝	Exch. 13¼pc 1987	107¼	+ 1/16	12.35	10.15
100⅞	95⅞	Treas 10¼% Cv '87	100⅜	+ 1/16	10.21	10.06
86⅛	80¼	Exch 2½pc 1987	83 15/16	.....	2.98	8.94
101 3/16	95⅞	Exch. 10½pc 1987	100⅝ xd	+ 1/16	10.43	10.25
93¾	88⅛	Funding 6½pc '85-87‡‡	91¼ xd	.....	7.12	9.89
99⅝	96	Treas. 10pc 1987	99¼	+⅛	10.08	10.25
86	80¼	Treas 3pc 1987	82 13/16	.....	3.63	9.21
105	99⅞	Treas. 12pc 1987	104 13/16 xd	+ 1/16	11.45	10.35
94⅞	89⅛	Treas 7¾pc 1985-88‡‡	93¼	.....	8.31	9.90
101½	95½	Exch 10½pc '88	100½ xd	+ 1/16	10.45	10.36
98 7/16	95 13/16	Treas 9¾pc Cv '88	98 1/16	+⅛	9.95	10.30
82	75¾	Transport 3pc '78-88	79½	–⅛	3.77	8.92
96 13/16	90¾	Treas. 9½pc '88	96 13/16 xd	+⅛	9.82	10.40
106¾	95¾	Treas 11½pc 1989	103 13/16	+ 1/16	11.08	10.46
		Five to Fifteen Years				
103⅞	94⅛	Treas. 10½pc 1989	103	+⅛	10.54	10.57
100 3/16	96⅝	Exch. 10pc 1989	100	+⅛	10.31	10.74
40 13/16	39⅝	Do. 10pc 89A (£40pd)	39 11/16	+⅛	10.28	10.67
84¾	76	Treas 5pc 1986-89	81¼ xd	.....	6.15	9.41
114	103	Treas 13pc 1990‡‡	112⅛	+¼	11.92	10.81
110⅞	100⅞	Exch. 12½pc 1990	108	+¼	11.64	10.78
93¼	86¼	Treas 8¼pc 1987-90‡‡	92¾	+⅛	9.15	10.44
95⅞	65	Treas. 10pc Cv 1990	98 13/16	+ 1/16	10.27	10.55
108¼	97	Treas 11¾pc 1991	106¾	+⅛	11.31	10.91
84⅛	74⅝	Funding 5¾pc '87-91‡‡	79¾ xd	+⅛	7.22	9.84
105¾	95⅞	Exch. 11pc 1991	100⅞ xd	+⅛	10.85	10.74
114⅜	102	Treas 12¾pc 1992‡‡	112⅜	+¼	11.63	10.86
106¾	88¾	Treas 10pc 1992	98⅝	+⅛	10.28	10.50

Over Fifteen Years

Undated

Index-Linked

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base month for indexing, ie 8 months prior to issue. RPI for February 1984: 344.0

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

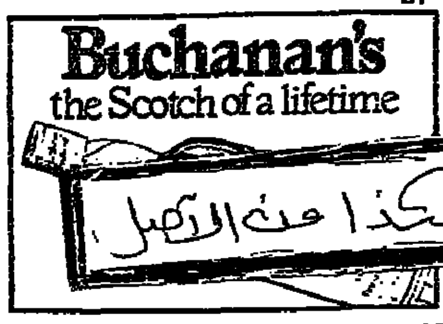
ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)



MINES—Continued

Tins

1983-84 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
260	175	Ayer Hitam SM1	240xd	+10	†vQ25c	1.0	10.7
167	63	Geevor	148	.....	24.0	—	3.9
19	10	Gold & Base 12½p	20	−½	—	—	—
435	290	Gopeng Cons.	410	.....	♦4.0	Φ	1.4
£10	525	Hongkong	900	.....	—	—	—
21	13	Jantar 12½p	18	.....	1.5	0.2	11.9
270	160	Kamunting SM0.50	225	+5	†vQ27½c	0.8	5.7
96	56	Malaysia Mng. 10c	67	+1	‡vQ11c	0.9	‡
57	29	♥Pahang	54	.....	B—	—	—
600	325	Pengkalen 10p	550	.....	1.0	—	0.3
330	225	Petaling SM1	235	.....	vQ130c	Φ	22.7
315	185	Sungei Besi SM1	305	.....	‡vQ125c	1.1	‡
68	40	♥Supreme Corp MS1	68	−3	vhQ3½c	Φ	1.7
325	93	Tanjong 15p	325	.....	93.5	—	1.5
210	60	♥Tongkah H. Tin SM1	210¢	.....	vQ5c	1.6	0.7
300	190	Tronoh SM1	300	+35	vQ90c	1.1	9.0

Miscellaneous

1983-84 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
170	13	♥Admiral Mines	15	−1	—	—	—
90	34	♥Anglo-Dominion	72	.....	—	—	—
93	55	♥Anglo Utd. Dev.	63	+3	—	—	—
400	180	♥Centennial Min'ls.	340	+10	—	—	—
170	60	♥Colby Res Corp.	160	.....	—	—	—
955	315	Cons. Murch. 10c	885	.....	100c	1.4	6.6
£19½	£10⅞	Eastern Trns. Cns. 50c	£17½	.....	Q65c	4.9	2.4
250	170	Hampton Areas 10p	237	−3	3.75	2.1	2.1
215	103	♥Highwood Res	195	.....	—	—	—
£24½	£17½	Homestake Mining $1	£23⅛	−⅛	Q20c	—	0.6
495	275	Northgate C$1	335	−5	—	—	—
693	437	RTZ	680	−3	17.0	2.9	3.6
£152	£108	Do. 9½pc cn '95-2000	£150	−1	Q9½%	32.5	6.5
190	13	♥Sabina Inds C$1	92	.....	—	—	—
£11¾	312	♥Tara Exptn $1	£10¼	−⅛	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- Φ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 163(4)(a).
- ☆ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ǁ No par value

B Fr. Belgian Francs. Fr. French Francs. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend; cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −
Albany Inv 20p	80	+4
Craig & Rose £1	900	.....
Finlay Pkg. 5p	55	+2
Higsons Brew.	103	.....
Holt (Jos) 25p	870	.....
IoM Stm. £1	150	.....
IRISH		
Exch. 12% 1985	£98¾	.....
Nat. 9¾% 84/89	£88	.....
Fin. 13% 97/02	£92½	.....
Alliance Gas	70	.....
Arnott	235	.....
CPI Hldgs.	61	−1
Carroll Inds	115	−1
Hall (R. & H.)	67	.....
Heiton Hldgs.	17	.....
Irish Ropes	53	.....
Jacob (W. & R.)	65	.....
TMG	50	.....
Unidare	70	.....

OPTIONS

3-month call rates

Stock	Rate
Industrials	
Allied-Lyons	15
BOC Grp	27
BSR	26
Babcock	17
Barclays Bank	45
Beecham	32
Blue Circle	40
Boots	16
Bowaters	25
Brit Aerospace	20
BAT	15
Brown (J.)	3
Burton Ord	22
Cadburys	11
Comm Union	16
Courtaulds	11
Debenhams	14
Distillers	22
Dunlop	5
FNFC	5½
Gen Accident	42
Gen Electric	16
Glaxo	70
Grand Met	30
GUS 'A'	65
Guardian	50
GKN	20
Hanson Tst	17
Hawker Sidd	38
Hse of Fraser	26
ICI	42
'Imps'	12
ICL	7½
Ladbroke	23
Legal & Gen	45
Lex Service	40
Lloyds Bank	50
'Lofs'	3
Lucas Inds	28
'Mams'	14
Marks & Spcr	20
Midland Bk	36
NEI	10
Nat West Bk	60
P & O Dfd	25
Plessey	20
Racal Elect	18
RHM	8
Rank Org Ord	24
Reed Intnl	40
Sears	8
TI	22
Tesco	16
Thorn EMI	65
Trust Houses	15
Turner Newall	10
Unilever	75
Vickers	14
Woolworth Hldg	50
Property	
Brit Land	11
Cap Counties	16
Land Secs	25
MEPC	25
Peachey	17
Samuel Props	12
Sterling Guar.	4
Oils	
Brit. Oil & Min.	5
Brit Petroleum	35
Burmah Oil	17
Charterhall	9
Premier	6
Shell	55
Tricentrol	20
Ultramar	58
Mines	
Charter Cons	24
Cons Gold	58
Lonrho	12
Rio T Zinc	60

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 23

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

FINANCIAL TIMES
Saturday April 7 1984

MAN IN THE NEWS

Manpower to his elbow

BY ALAN PIKE

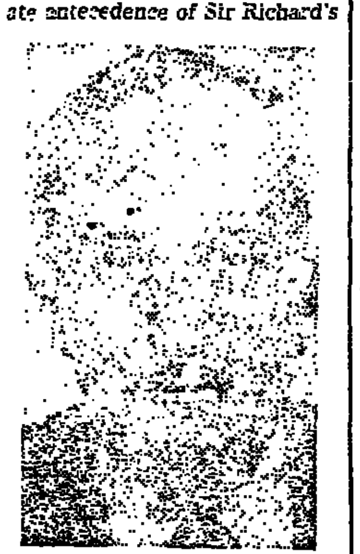
"OTHER PEOPLE come to me with their problems. David Young comes with his achievements."

This comment, attributed to the Prime Minister, has been circulating in Whitehall this week alongside speculation about the appointment of the chairman of the Manpower Services Commission to a novel new chief of staff role in Downing Street.

Whether or not Mrs Thatcher uttered the precise quotation, there is no doubt that she endorses the sentiments. David Young has won the reputation of being someone who can deliver and who, for good measure, can make the act of delivering look fairly effortless.

It might not have been thus. Young went to the MSC under conditions of considerable rancour two years ago.

Trade union members of the commission were furious at the Government's failure to reappoint the respected Sir Richard O'Brien to a further term as chairman. The immediate antecedence of Sir Richard's



David Young

successor was as an adviser to Sir Keith Joseph at the Department of Industry, and a director of Sir Keith's Centre for Policy Studies. Mr Young, it was confidently asserted, would be a mere Government puppet and the tripartite MSC was in danger of breaking apart.

The critics were forced to admit after their first meetings with Young that he was a relaxed, charming person with a willingness to listen. References to Government puppets faded as Young made clear his belief in the public employment service, and argued successfully with the Government for the introduction of the Youth Training Scheme on the MSC's terms.

David Young, 52, trained as a solicitor after his education at Christ's College, Finchley, and London University. He spent some time as Sir Isaac Wolfson's personal assistant at Great Universal Stores before building up a successful construction and property group, amassing considerable wealth in the process. Since going to the MSC his brother Stuart has also risen to public prominence as chairman of the BBC.

Far from breaking up the MSC, Young has worked diplomatically to gain the respect and confidence of the employer, trade union and educational groups on the commission.

The development which has done much to win him his reputation as a man who gets things done is the introduction of the Technical and Vocational Education Initiative. This scheme — potentially the biggest force for change in British secondary education since comprehensive reorganisation — contains enough controversy to fuel a debate lasting a generation. Ministers introduced it through the MSC rather than the Department of Education, and Young got it up and running within a year. A suitably impressed Government has now asked the MSC to extend its influence in further education colleges.

Under Young the MSC's priorities have shifted away from grand manpower plans and employment strategies. Training—an issue to which he is devoutly committed—has become the centre-piece of the commission's activities.

David Young is not the type of chairman who carries every detail of the MSC's labyrinthine activities in his head, but he does not lose sight of the main target. He overcame great initial suspicion and hostility to hold the MSC together—just as, when he was at the Department of Industry, civil servants warmed to him more than is often the case with special advisers. The qualities of personality which made this possible will be much needed if he is to become responsible for representing the Prime Minister's policy priorities throughout the Government machine.

BSC head attacks pit 'suicide pact'

BY PHILIP BASSETT AND IAN RODGER

MINERS' LEADERS were trying to persuade steelworkers to join a suicide pact, Mr Robert Haslam, chairman of British Steel, said last night.

Mr Haslam's statement came as steel, coal and rail unions leaders reached an interim deal to maintain coal supplies to the Ravenscraig steel works in Scotland.

The Transport Salaried Staffs Association voted to give no help to the miners in their strikes over pit closures, and the political temperature of the dispute was raised amid allegations in Parliament of telephone tapping by police.

Speaking in Ebbw Vale, Mr Haslam said: "If our works are damaged, their coking coal requirements will be reduced and more pits will close."

Production at BSC's Scunthorpe works, which relies almost entirely on British coal, was halved last week. The Llanwern works in South Wales, which depends on Welsh coal, was also threatened.

"The advocates of strike action don't even seem to realise that the cuicide pact they seek would inflict more fatalities in coal than in steel. There are more Welsh miners rewing coal for Llanwern than there are employees at Llanwern," Mr Haslam added.

BSC said more than 6,000 mined coal for Llanwern, where 4,100 were employed.

Mr Haslam elaborated on his statement last Friday that BSC must scale down sales forecasts as a result of the mineworkers' strike.

He recalled that BSC lost 6 per cent of its market in the early 1970s after major coal strikes.

"There is always a tendency to believe that after a strike affairs quickly return to normal, and that no permanent damage results. This was clearly not the case in the 1970s and it will certainly not be the case in the current strike."

Mr Haslam dismissed the idea advanced by "some supporters of the miners' action" that there had been "butchery" in the steel industry, and that the same fate might befall the coal industry.

"In fact, British Steel has benefited from the delayed but essential surgery, which was carried out only just in time to give BSC a fighting chance of surviving.

"Even so, British Steel is using only about 70 per cent of its total available capacity—not remotely a situation one can describe as a manifestation of butchery."

The "triple alliance" of coal, steel and rail unions said they had reached "complete agreement" on survival of the Ravenscraig steelworks, threatened by a dispute between the miners and steelworkers over the amount of coal the plant needed to survive.

Details of the deal were not released after the union's meeting in Edinburgh, but it is thought the steelworkers' requirement that the plant should receive two trainloads of coal a day to keep operating was agreed.

The agreement seems likely to run only until Tuesday, in the first instance, when Mr Lewis, with Mr Mick McGahey, president of the Scottish Area of the National Union of Mineworkers, will visit the works.

Exim Bank chief makes call for more help for debtor nations

BY JOHN DAVIES IN FRANKFURT

INDUSTRIALISED nations should take on more risk to help debtor countries finance their trade, Mr William Draper, president of the U.S. Export-Import Bank, said yesterday.

This would be a more constructive role for government-backed export credit agencies than engaging in "predatory financing" with subsidies to beat each other to export orders, Mr Draper said.

In a hard-hitting address to bankers in Frankfurt, he singled out France for attack as a donor of low-cost, mixed credit combining export finance and development aid.

Mr Draper said he saw the role of export credit agencies as helping to build up world trade by assuming risk, rather than buying business through subsidies.

Eximbank had taken the lead last year in building an $11bn (£7.7bn) "safety net" for the Brazilian economy. The bank had provided $1.5bn in guarantees and insurance as its contribution to the financial package.

It had offered similar help to Mexico and was open to aid for other developing countries.

"I am frankly very disappointed that many other government export financing agencies appear somewhat reluctant to extend similar facilities to nations in temporary difficulties," Mr Draper said.

"It seems to me that such agencies should take a longer term view of the situation."

Brazil and Mexico appeared to be already recovering and needed new capital injections to get back on their feet, he said.

Mr Draper made it clear that the U.S. was determined to fight against export subsidies, particularly "insidious" forms such as tied aid and mixed credit, which were really aimed at helping exporters rather than developing countries.

Eximbank had decided to show its resolve in combating such "predatory financing." In recent weeks the bank had approved credit for orders from Indonesia and Cyprus at highly concessionary rates "strictly as a defensive measure" to combat the French, he said.

IMF delays approval to Peru and Chili, Page 2

Further setback hits N. Ireland aircraft plan

By Our Belfast Correspondent

LEAR FAN'S plan to make a radically new executive aircraft in Northern Ireland has suffered another technical setback.

The Government has committed £51m to the now largely Saudi Arabian-owned company since 1979.

A second structural failure has occurred in the carbon-fibre fuselage of the aircraft, which is being developed for eventual manufacture in Northern Ireland, during static ground tests in the U.S.

As a result workers at two Ulster factories seem likely to be put on a two-day week from next month in a move to eke out the company's fixed development budget.

In January the company cut its Northern Ireland labour force by 90, to 390, and put employees on a three-day week. This was the result of a delay in the programme brought about by an initial fuselage failure.

The company said that this defect was corrected and that the test which detected it was repeated successfully. However, further tests uncovered a structural failure elsewhere in the fuselage.

Lear Fan said the second failure would mean a slippage of about a month in its schedules.

A vital airworthiness certificate from the U.S. Federal Aviation Administration for the eight-to-10-seat turbo-prop aircraft is not expected before the end of September. It had been hoped for in August, paving the way for deliveries to begin at the start of next year.

The company said talks were being held with the unions.

The project's problems have already led to a major re-financing package under which in 1982 a Saudi Arabian consortium acquired 85 per cent of the shares in the U.S. parent company in return for $60m (£42m).

At the same time the Government agreed to further aid of $30m to be paid during the certification period. In return the Northern Ireland Economic Development Department has a 5 per cent stake.

The Government's hope is that 2,800 jobs will be created

Volvo vetoes U.S. shares plan

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

A VETO by the board of Volvo has forced Mr Pehr Gyllenhammar, the chairman, to postpone indefinitely plans for the group's first share issue in the U.S.

Plans for the U.S. sale of $100m (£70m) of Volvo equity were well advanced, and the issue was due to have taken place in early June. The proposal was put by Mr Gyllenhammar to the board last week, but was turned down.

Mr Gyllenhammar's failure to gain board backing for his plans, which have been discussed by management for many months, underlines the growing power of the so-called Wallenberg group, which over the last two years has built up the biggest single block of voting shares in Volvo. Last night, the company refused to comment officially on the boardroom row.

The share issue had been planned by Mr Gyllenhammar as part of Volvo's campaign to make itself better known in the U.S. North America accounts for more than a third of the group's SKr 99.5bn (£8.9bn) world-wide turnover, and one executive said yesterday that the issue was a symbolic gesture.

The issue involved much personal prestige for the Volvo chairman, who is well known in U.S. business circles and who sits on several boards in America including those of United Technologies, Hamilton Petroleum, Kissinger Associates and the Aspen Institute. He is also a director of S. Pearson, whose diversified interests include ownership of the Financial Times.

The share issue was apparently turned down by the board on the grounds that Volvo was in no need of new capital given the current strength of its balance sheet—it produced record profits last year—and that the issue would unnecessarily dilute the holdings of current shareholders.

Traditionally Volvo, Sweden's biggest company, has remained outside the main power blocs in Swedish industry and has had no single large shareholder. Over the last two years, however, this independence has been threatened.

Reuters boycott urged

Continued from Page 1

were only offering guidance to members, the principle of full voting rights, as expressed by one share one vote, has become a major policy issue

As Mr Musson pointed out in his letter, "during the late 1970s the committee made strenuous efforts to ensure that the Stock Exchange annotated those shares which had special voting rights so that all shareholders, when they bought the shares, would know clearly what it was they were buying."

One investment manager of a leading insurance company stressed that "the abolition of preferential voting structures was something which had taken years of committed opposition to stamp out. In the case of Reuters, we could see a case for protective measures but the multiple votes carried by the "A" shares were overkill, the structure was already very well defended. Warburg must have known for the past month that this would happen."

London-based Reuters is working on plans for a parallel flotation in the U.S. but the envisaged capital structure will preclude the issue from the Big Board of the New York Stock Exchange and the shares instead will be traded on the Over The Counter market.

Tax cuts

Continued from Page 1

"There is no magic which will create tax cuts without depriving some groups," he said.

The Greenwell paper calculates that phased reduction in corporation tax from 52 per cent to 35 per cent over three years will not be enough to offset the adverse effect on companies of the withdrawal of 100 per cent first year allowances for investment. The overall effect will be to make investment significantly less profitable in the long run, it says.

The basic criticism of the corporation tax changes made by all three speakers at the institute's conference was that it provided for no relief against inflation.

"The Chancellor may take the view that he has abolished inflation, but it is not as simple as that," Mr John Chown, a tax consultant, said. When the effect of even the present level of inflation was compounded over several years, there would be a major distortion of a company's taxable profits.

Mr Malcolm Gammie, director of the national tax office of accountants Thomson McLintock, quoted from the Budget statements made between 1979 and 1983 by Sir Geoffrey Howe when he was Chancellor, in which he outlined the justifications for first-year capital allowance and stock relief.

Mr Lawson had abolished both without explaining how they fitted into any longer-term strategy. "He has yet to give clear indication that he knows the direction in which he wants to sail," Mr Gammie said.

Gibbons

Continued from Page 1

director who is a solicitor in private practice.

It will explore whether it may be possible for outside shareholders to acquire holdings in Stanley Gibbons and examine ways in which Mr Feigenbaum may reduce significantly his present holding of just over 50 per cent.

Mr David Stokes, managing director, said: "I regret that this has happened, but am pleased that the inquiries did not reflect badly on the company. We hope we can now get on with running the business."

On Monday morning, the Stock Exchange quotation department had withheld permission for dealings to begin by failing to post a notice as required under rule 195.

Dealings went on for 16 minutes before the jobbers and brokers on the floor of the exchange realised their error. The transactions were cancelled.

Simon and Coates said yesterday that it had no reason to believe that the prospectus had been misleading.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Aaronite	133	+ 6
Applied Computer	720	+ 60
BTR	475	+ 12
Country New Town	99	+ 4
Lec Refrigeration	378	+ 5
P. & O. Defd.	308	+ 8
Sperati (C. A.)	300	+ 80
Stewart Wrightson	375	+ 15
Atlantic Resources	58	+ 8
Bryson Oil and Gas	280	+ 20
Eglinton Oil & Gas	97	+ 6
Pict Petroleum	157	+ 7
Great Victoria Gold	44	+ 8
Metana Minerals	210	+ 6
Tronoh Mines	300	+ 35

FALLS

Bassett Foods	145	− 10
Ganning (W.)	95	− 9
Glynwed Intl.	156	− 5
Hickson Intl.	388	− 8
LWT A	282	− 16
Lyle Shipping	78	− 14
Memory Computer	290	− 15
Mersey Docks	50½	− 3½
Morrison (William)	192	− 18
Renishaw	248	− 14
Yorkshire Chem.	59	− 9
Tricentrol	200	− 6

WORLDWIDE WEATHER

UK today: Showers with bright intervals, rather cold. Outlook drier and brighter.

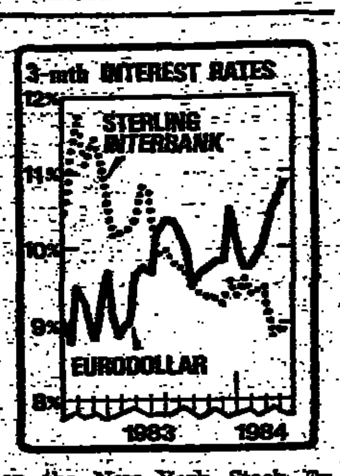
		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	14	57	Corfu	R	15	59	Luxmbg.	R	3	37	Peking		—	—
Algiers	S	20	68	Dallas†	S	7	45	Madeira	S	17	63	Perth	S	24	75
Amsdm.	C	7	45	Dublin	R	7	45	Madrid	S	15	59	Prague	C	7	45
Athens	F	16	61	Dbrvnk.	S	17	63	Majorca	F	17	63	Reykjvk.	R	5	41
Bahrain	S	30	86	Ednbgh.	C	6	43	Malaga	S	21	70	Rhodes	S	20	68
Barclna.	R	12	54	Faro	S	20	68	Malta	F	16	61	Rio J'o		—	—
Beirut		—	—	Florence	F	16	61	M'chstr.	C	7	45	Rome	S	16	61
Belfast	C	8	46	Frankft.	F	7	45	Melbne.	S	20	68	Salzbrg.	C	6	43
Belgrd.	F	17	63	Geneva	C	7	45	Mx. C.		—	—	S F'cisct	C	9	48
Berlin	F	10	50	Gibraltar	S	17	63	Miami†	S	15	59	Singapr.	F	32	90
Biarritz	F	11	52	Glasgow	C	8	46	Milan	F	10	50	S'tiago		—	—
Bmghm.	R	6	43	G'nsey	S	9	48	Montrl.†	C	9	48	Stckhm.	S	10	50
Blackpl.	C	6	43	Helsinki	S	11	52	Moscow	C	13	55	Strasbg.	C	7	45
Bombay	S	32	90	H. Kong	C	20	68	Munich	C	4	39	Sydney	S	24	75
Bordx.	C	12	54	Innsbrk.	R	6	43	Nairobi		—	—	Tangier	S	21	70
Boulgn.	R	5	41	Invrnss.	R	5	41	Naples	F	15	59	Tel Aviv	S	25	77
Bristol	F	10	50	I.o.Man	C	9	48	Nassau		—	—	Tenerife	S	22	72
Brussels	C	6	43	Istanbul	S	15	59	Nwcstl.	R	6	43	Tokyo	S	19	66
Budpst.		—	—	Jersey	S	9	48	N Delhi	F	30	86	T'ronto†	R	5	41
Cairo	S	33	91	Jo'burg	F	24	75	N York†	C	9	48	Tunis	F	17	63
Cardiff	C	11	52	L. Plms.	S	21	70	Nice	F	14	57	Valencia	C	19	66
Cape T.	C	21	70	Lisbon	S	17	63	Nicosia	S	22	72	Venice	F	15	59
Chicg.†	S	1	34	Locarno	R	4	39	Oporto	S	16	61	Vienna	F	13	55
Cologne	C	7	45	London	C	7	45	Oslo	R	5	41	Warsaw	S	17	63
Cpnhgn.	S	9	48	L. Ang.†	R	12	54	Paris	R	6	43	Zurich	C	6	41

C—Cloudy. Dr—Drizzle. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

THE LEX COLUMN

Technical fault on Reuters

Index fell 1.6 to 865.4



From the outset, the flotation of Reuters has seemed certain to provide the setting for a struggle between the investing institutions—who are radically opposed to holding equity with restricted voting rights—and the current proprietors of Reuters, with their uneasily paired commitments to preserve the historic integrity of the news agency while realising a substantial part of their valuable investment. As the moment of flotation approaches, and a multiple voting structure has been announced, some of the institutions have predictably decided to flex their democratic principles.

The crucial issue is whether the spirit of the Reuters Trust—designed to protect the public interest in an independent and properly equipped news service—can be adequately enforced without conferring extra votes on the shares to be held by Reuters' existing owners, in the newspaper industry. It is indeed doubtful whether the basis of the trust could be preserved at all, in the context of a flotation.

The institutional case, forcefully advanced by the pension fund committee which has been considering the matter, is that sufficient safeguards for the public interest have been furnished by equipping the company with a "golden share" along the lines of that which the Government holds in Britoil.

Reuters is in fact armed with this long-stop device, calculated to prevent control drifting into undesirable hands, and to keep the board on the straight and narrow. Given this control, the institutions distrust the argument advanced by Reuters, that it is necessary for the management—and current shareholders—to be given a complementary positive powers, to be exercised beneficently, and retained by means of heavily-weighted voting rights.

If the large pension funds and insurance companies keep their smaller brethern in order, in what amounts to an unusual strike of institutional capital, the conditions for the stock market debut of Reuters could be rather testing. These institutions between them hold roughly half the shares on the London market. And if Reuters is preparing to look on the instituitons as dispensable, hoping to angle more of the equity at New York, it may find the recent example of Dow Jones less than propitious. Since the comparably prestigious Dow Jones announced in January that it was proposing to adopt a restricted voting structure—implying the loss of its quote on the New York Stock Exchange—the shares have fallen by almost a quarter.

The bulls seem to be taking their traditional May holiday a little early this year, perhaps combining it with the late Easter three week account, which officially starts on Monday. Certainly the post-budget euphoria has worn off, judging by the 40-point fall in the FT 30-Share Index over the last couple of weeks, and the market has become somewhat blasé about good profit and dividend news. Quarter-end paperwork and market strategy rethinking appear to be keeping the fund managers busy, and institutional turnover is lower. By contrast, private clients have been taking their full quota of profits before April 5. The one big puzzle is whether UK and U.S. interest rates can carry on diverging much longer. But even though Wall Street is at a 12-month low, most professionals still seem confident that UK equities can recover their poise.

Corporation tax

It is doubtful whether the Treasury economists could have crunched their numbers well enough to have foreseen all the quirks company directors will have to grapple with as a result of the corporation tax changes announced in the Budget.

The one lasting effect will be the lower profitability of investment. The gradual reduction in corporation tax from 52 to 35 per cent is not enough to offset the phasing out of the first-year capital allowance, even when inflation is low. Yet the profitability of existing capital has been boosted.

This emerges from a study published today by stockbrokers W. Greenwell, which makes fairly conventional assumptions about required rates of return. Greenwell does not however re-do the calculations for conditions of rising inflation when the tax-created bias against investment will be much stronger.

But the most worrying consequence of the tax changes, highlighted by the study, is the squeeze on corporate liquidity in 1985 to 1987 when total capital allowances fall away rapidly with the abolition of the first-year allowance. Thereafter the allowances build up again so that by the early 1990s net cash flows should be healthier than they were pre-Budget.

The Greenwell study assumes capital expenditure will remain constant over the period. But if there is a rush to invest this year and next to make use of the remaining first-year allowances, the damage to cash flow will be more severe in 1985-87.

None of this may matter if an investment-led boom is sustained over the next three years without rising inflation. But if it is not, companies may have to rely on a re-run of the 1974 emergency introduction of stock relief to stave off a liquidity crisis. The Chancellor's abolition of this relief, and of the first-year allowances, appears to be based on the assumption that the problems of inflation have completely evaporated.

Stanley Gibbons

It might seem a touch alarming that Stanley Gibbons' USM flotation should only have been halted just at the last moment —or 16 minutes later, to be precise. In a perfect world, no doubt, an issue sponsored by the USM's leading broker would have nothing more sinister in its cupboard than a pile of City invoices for services rendered. It has not been a happy episode for Simon and Coates.

But the firmness shown by the Stock Exchange this week ought to reflect well on the procedures of the USM. The market has again showed itself to be far more than just an inflated version of the over-the-counter market. The time taken to complete a flotation at least affords a protection of last resort, embarrassing as this might be.

Perhaps those with most reason to feel dismayed might be the directors of some small companies aspiring to the USM. The exact gravity of the allegations against Stanley Gibbons' chairman remains less than totally clear; but the pressure to which his company has been exposed during the flotation period might be a cautionary tale to some others.